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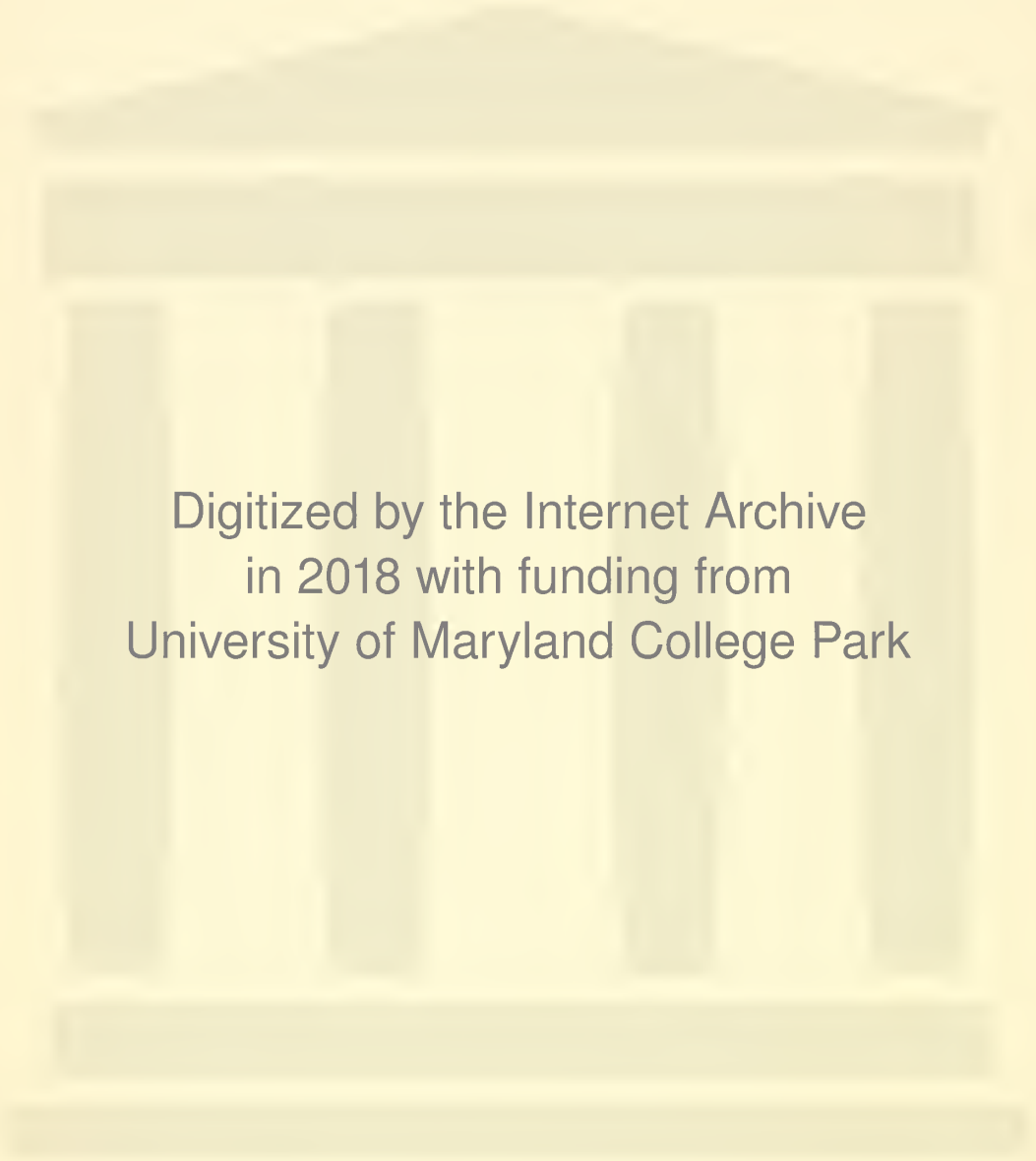
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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1197

LESS INTERFERENCE EXPECTED WHEN TREATY OPERATES

Considerable improvement in broadcasting conditions in this country, with a substantial decrease in interference caused by overlapping stations, was forecast this week by Commissioner T.A.M. Craven following formal notification that the Mexican Senate had ratified the North American Regional Broadcast Agreement on December 31.

While details of the action were still lacking at the week-end, the Federal Communications Commission and State Department officials were optimistic at the prospect of bringing order into North American broadcasting conditions for the first time.

The only danger that this goal may not yet be in sight is that Mexico may have adopted the 1937 Treaty with reservations.

The agreement was promulgated at the First International Radio Conference held at Havana in 1937 and has been ratified by five countries - Canada, Cuba, Haiti, Mexico and the United States. It can be made effective as soon as Mexico deposits the signed document at Havana.

Should the Treaty become operative, a widespread reallocation of broadcasting facilities in the United States will be ordered by the Federal Communications Commission within a few months. It is estimated that more than 650 of the country's 814 stations will have to change frequencies.

The changes in most cases, however, will be slight or between 10 and 40 kilocycles.

Radio repairmen will get a lot of business when the shake-up is ordered as push button receivers will have to be altered slightly and sets that don't go up to 1600 kc. will have to be adjusted.

On other sets listeners will have to change their habits or logs to pick up their favorite stations on new wavelengths.

One of the achievements of the Treaty, unless Mexico adopted it with reservations, will be to eliminate the troublesome "border stations", those high-powered radio outlets along the Rio Grande which are operated almost solely to reach American audiences.

Under the treaty they will be abolished and Mexico's wavelengths will be so limited that it probably will not turn any of them over to American promoters. Mexico will be permitted to construct high power stations within the interior but not along the U. S. border.

While suffering a reduction in exclusive clear channels, this country will get more shared channels under the Treaty and be able to license more interference-free stations than it now has on the regular broadcasting bands.

The reallocation probably will not be put into effect without some protests from stations and certainly not without a public hearing. It is expected that the change in assignments and the inquiry will require at least six months.

The Havana Treaty is largely the work of Commissioner Craven, who headed the American delegation to the North American Conference in 1937. Working almost alone, with the FCC then taking little interest in the problem, he succeeded in selling the idea of stabilization to the Latin American countries.

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INTEREST IN INTERNATIONAL RADIO CALL LETTERS REVIVED

World events have revived attention to radio call signals allocated to the various countries, the Federal Communications Commission noted this week.

Under international agreement, the first letter or the first two letters of radio call signals indicates the nationality of the station. According to Section 1, Article 14, of the International Radio Conference at Cairo in 1938, as annexed to the International Telecommunications Convention at Madrid in 1932:

> "All stations open to the international service of public correspondence and all aircraft stations not open to the international service of public correspondence, as well as amateur stations, private experimental stations and private radio stations, must have call signals from the international series assigned to each country . . ."

The Cairo convention further provides that when a fixed station in the international service uses more than one frequency, each frequency is designated by a separate call signal used for that country only.

As a general rule, land stations use three letters, ship stations four letters, and aircraft stations five letters. One or two letters and a single figure followed by a group of not more than three letters identify amateur stations and private stations.

The 26 letters of the alphabet, as well as figures (with use of "0" and "1" limited to amateurs) may be used to form call signals. Chief exceptions are combinations beginning with A or B, these two letters being reserved for the International Code of Signals, and combinations which might be confused with distress and other emergency signals, and combinations reserved for certain approved abbreviations.

Says the international agreement further:

"Each country shall choose call signals for its stations from the international series which is allocated to it and shall notify the Bureau of the Union of the call signals which it has assigned to its stations. This notification does not concern the call signals allocated to amateur stations, to private experimental stations, and to private radio stations."

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CRAVEN DISSENTS ON PROPOSED WIRE MERGER

Commissioner T.A.M. Craven cast the only dissenting vote against the proposed merger of Western Union and Postal Telegraph Companies as the plan was submitted to Congress this week. He gave no official explanation for his act, but the coolness with which the recommendation was greeted on Capitol Hill indicated he will find many members in accord with him.

Chairman Wheeler, of the Senate Interstate Commerce Committee, who probably will take the initiative in promoting the legislation, said he will call a meeting of the Committee within a few days. A Sub-Committee probably will be named to hold hearings.

The probable effect of the consolidation on the employees of the two wire companies, particularly Postal, appeared likely to have considerable influence on the decision although there were rumblings that the Administration may be charged with trying to take the first stop to take over the communications facilities.

The Federal Communications Commission recommended consolidation of telegraph companies as "an obvious remedy for many of the existing ills" of the industry.

Western Union has nearly 20,000 offices and Postal nearly 4,400. On last June 30, Western Union had 43,490 employees and Postal (land lines), 14,560.

The Commission suggested that Congress remove the present prohibition against consolidation, in the report sent to Chairman Wheeler of the Senate Interstate Commerce Committee. The recommendation brought a suggestion from two Senators that such a merger should consider the welfare of employees affected. Wheeler commented that he "would want to know that labor was adequately taken care of in any merger and that thousands of employees were not just thrown out of work".

Senator Truman (D.), of Missouri, another Committee member said he felt "there may be come merit in the merger idea provided the labor situation can be worked out without the loss of too many jobs".

"If properly safeguarded through effective regulation", the Commission said, consolidation would"maintain for the telegraph using public the benefits inherent in competition in the telegraph field and result in the rehabilitation of an industry which at present offers little security for its employees".

It added that "communication needs incident to national defense will be more effectively provided for" by unification.

Saying that competition, changing economic conditions and other causes have brought about a situation which "jeopardizes the existence of certain of the existing telegraph carriers", the Commission commented:

"The financial situation of the Postal system is precarious and that of Western Union, although less critical, is definitely unfavorable".

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LONGER INTERVAL FOR ANNOUNCING RECORDS ADOPTED BY FCC

In the interests of public service and radio station convenience, the Federal Communications Commission this week agreed that station announcements of the use of mechanical records can be made at 30-minute intervals instead of the 15-minute requirement as heretofore. This is to avoid interrupting the entertainment continuity of a recorded series of records, or of the long records now quite generally used, particularly of recorded programs relayed by wire facilities.

At the same time, Section 3.93(e) of the broadcast rules has been changed to read:

> "The identifying announcement shall accurately describe the type of mechanical record used, i.e., where a transcription is used it shall be announced as a 'transcription' or an 'electrical transcription' and where a phonograph record is used it shall be announced as a 'record'."

The Commission added religious service to the types of continuous recorded programs - speech, play, symphony concert or operatic production - of longer than half an hour for which the 30-minute announcement rule is waived.

This change is effective immediately.

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RADIO TO HOLD LEAD ON TELEVISION, SAYS ENGINEER

The production of sound radio receivers will continue to exceed production of television receivers for the next decade and be the backbone of the industry "for at least five years to come" in the opinion of Julius Weinberger, Fellow of the Institute of Radio Engineers.

In a paper published in the recent I.R.E. Proceedings, Mr. Weinberger analyzes the "Basic Economic Trends in the Radio Industry" and arrives at the following summarized conclusions:

"1. The character of the distribution of receivers to various markets has altered materially since the inception of broadcasting. Prior to 1927, sales for initial equipment to the home absorbed practically the entire annual production; by 1930, initial equipment for homes constituted only 59.4 per cent and replacements 33.5 per cent of all sales; by 1936, initial-equipment 'home' sales were 19.8 percent, replacement 'home' sales were 30.3 percent, and new sales channels were absorbing receivers as follows: Secondary receivers, 15.7 per cent; sales for other than family use, 7.8 per cent; automobile receivers, 17.2 per cent; exports, 8.1 percent.

"2. Extension of the trends of the past 14 years leads to the conclusion that further alterations in the character of the 'normal' annual demand will occur; emphasis on home-type primary (or 'living-room') sets should decrease and emphasis on secondary ('compact' or 'extra') and automobile models should increase. Annual demand for primary receivers as initial equipment for homes should fall continuously; demand for replacements of primary receivers should pass its peak in a few years and fall slowly thereafter. At the same time, annual demand for secondary sets should continue to rise steadily and automobile-set demand for initial equipment should rise for the next 3 or 4 years, with a gradual decline thereafter. (A replacement demand for automobile receivers would tend to sustain total production after 1941.)

"3. Total annual production of all types of receivers goes through wide cyclical fluctuations, above and below a 'normal' trend line. At the present time, the 'normal' is about 6.7 million receivers, and increasing at the rate of about 250,000 receivers per year. In the last 3 years, however, the industry has produced well over this normal amount (more than 8 million receivers during 1936 and 1937, and 7.1 million receivers in 1938). Thus, there has been an excess over 'normal' production of about 4 million receivers in these 3 years. In view of this excess production, we may anticipate a sharp drop to subnormal demand sometime during the next few years, probably during the next business recession. During the next 9 years, the 'normal' should rise gradually to about 8.5 million receivers.

"4. The length of time that the public retains its receivers before purchasing replacements has been increasing. It would appear that in 1928, the average life of a receiver was about

5 years. This increased gradually, until now 75 percent of receivers are being retained an average of 7 years. It is anticipated that this condition will continue to exist in the future.

"5. Television receivers will constitute an inducement for the slow replacement of existing sound receivers. The growth curve of such replacements is not expected to be as steep as that of replacements of older types of sound receivers by newer types, for reasons given in the text. In terms of unit volume, annual production of sound receivers for the various markets, during the next 10 years, should considerably exceed production of television receivers; and for at least 5 years to come, it is likely that the backbone of the industry will be the production of sound receivers."

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WASHINGTON OFFICIALS MOURN DEATH OF BELLOWS

Veteran radio officials and attorneys in Washington joined this week in expressing sorrow at the death of Henry A. Bellows, Director of Public Relations for General Mills, Inc., writer and an authority on radio. Mr. Bellows died at his home in Minneapolis on December 29 at the age of 54.

He was a pioneer in radio and in 1927 was appointed by President Coolidge as one of the five members of the original Federal Radio Commission. In 1929 to 1934 he was President of the Northwestern Broadcasting, Inc. And from 1930 to 1934 was Vice-President of the Columbia Broadcasting System. In 1934 he became Chairman of the Legislative Commission of the National Association of Broadcasters, which position he retained until 1935. In 1936 Mr. Bellows joined General Mills, Inc.

Mr. Bellows was born in Portland, Me., September 5, 1885. He graduated from Harvard in 1905, getting his Ph.D degree in 1910. He was married to Mary Sanger, Cambridge, Mass., in 1911. (Mrs. Bellows died January 19, 1935.) Mr. Bellows' two children are Mrs. Phillip W. Pillsbury, and Charles Sanger Bellows. Mr. Bellows was married the second time to Alice Rickery Eells, of Washington, D. C., on April 13, 1936.

A versatile and talented man, Mr. Bellows was one time a Professor of Rhetoric at the University of Minnesota and later Managing Editor of "The Bellman" at Minneapolis. He was for awhile music critic of the Minneapolis Daily News and wrote program notes for the Minneapolis Symphony Orchestra.

He was a Colonel in Minneapolis Home Guards and a writer on scholarly topics and a translator.

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WILE RECOUNTS EARLY PAYLESS RADIO COMMENTATING

Frederic William Wile, noted Washington correspondent, recalls the difficulty which he had in the early days of broadcasting in convincing radio officials that he should be paid for his comments over the air, in his entertaining "News Is Where You Find It", recently published by Bobbs Merrill.

Uncovering some little known history of the debut of commentators on the air, Mr Wile says his contract with the Columbia Broadcasting System at $10,000 a year in the Winter of 1928-29 was "No. 1 arrangement of this kind".

"My first radio high spot", Mr Wile recalls, "was attained on March 4, 1925, when Calvin Coolidge was inaugurated president in his own right. I had not expected to participate in the broadcasting program from the Capitol. But early in the evening of March 3, Kenneth Berkeley, now Manager of Station WRC, telephoned me that N.B.C. unexpectedly received permission to put on a speaker before the inaugural microphone at noon on March 4, immediately preceding the swearing in and inaugural address of the President-elect. Would I be prepared to take the air for ten minutes and speak to the visible inaugural throng on the east front of the Capitol over the public address amplifying system and to the radio audience over the N.B.C. network? My material, Berkeley said, might be of general character appropriate to the impending ceremony. It was short notice for so auspicious a stunt, but before bedime I wrote and had ready for delivery a 1,500-word talk on 'The Presidency'. I was informed it was the only time on record that a private citizen had been privileged to stand in that place and speak just prior to the induction utterance of the incoming President."

After relating his early experiences, Mr Wile wrote:

"Though broadcasting was progressively fascinating, continuously flattering to one's ego, and productive of many desirable personal and professional contacts, I came to tire of art for art's sake, and decided to terminate that uneconomic situation. In other words, after four years of service at the microphone, I thought the time had come to taks the National Broadcasting Company to remunerate me."

As David Sarnoff, President of RCA, felt that Mr. Wile was earning an adequate salary as a syndicate writer, the correspondent appealed to Owen D. Young in 1928.

"Young admitted that my attitude on the question of pay was entirely sound. He assured me the time was approaching when radio, then in its swaddling clothes as an industry, would, as a matter of course, have to buy broadcasting programs and would be in position to do so. At the moment, Young explained, radio revenue was derived only from the sale of receiving sets. R.C.A. was owned or controlled jointly by General Electric and the Westinghouse interests, both large-scale manufacturers of receiving

apparatus. Sets of the dial pattern were still costly and by no means in general use.

"Younr urged me to be patient. He said: 'Your time will come. With every week's talk, you are building up a reputation. Don't break contact with the radio audience by leaving the air now.'"

"I returned to Washington, much impressed by Mr. Young's forecast of the day when my ship would come in via the wave lengths. But as I was now beginning to find the weekly talk more and more of a task, I decided after fresh and futile soundings in New York on the salary outlook, to go on strike - the very first strike, to my knowledge, in broadcasting history. Choosing a psychological moment that would have done credit to John L. Lewis himself - a critical situation at Washington involving one of Coolidge's infrequent run-ins with Congress - I notified F. P. Guthrie, general manager of R.C.A. in the National Capital, that I was no longer prepared to broadcast for love and glory. Reversing the old saw, I told him that unless N.B.C. put up, Wile would shut up!

"For two weeks there was no discussion of the Washington political situation 'tonight' or any night on the air. Presently Guthrie offered me $50 a week if I would resume where I left off. Thus radio's maiden strike was ended and won. Never since that day, I believe, now more than ten years ago, has any important broadcasting concern asked a professional commentator on public affairs to work for nothing. It was not long afterward - the winter of 1928-29 - that I received overtures from the up-and-coming competitor which, on a shoestring, had just dared to enter radio as a rival of N.B.C. and its powerful capital affiliates. A twenty-eight-year-old Philadelphian named William S. Paley, at that time in charge of production and advertising for the Congress Cigar Company, and the reputed possessor of a fortune in his own right, had joined with his family and certain Philadelphia friends, including Lawrence W. Lowman, a college chum, to acquire the tiny and tottering Columbia Broadcasting System from the Columbia Phonograph interests, which had started it as a rather feeble competitor of the General Electric-Westinghouse-supported N.B.C. project.

"Contact with Paley had been established for me through Martin Codel, a brilliant young Washington newspaper writer who was specializing in radio and who happened to be an admirer of my work on the air. Codel, now the publisher of Broadcasting, the leading organ of the radio industry, and himself a factor in what he long ago christened 'the Fifth Estate', first introduced me to Alfred J. McCosker, general manager of Station WOR, then the New York outlet of C.B.S. McCosker, a canny former Broadway press agent, who knew the show business and was combining that knowledge with a keen sense of public relations, waxed enthusiastic about the prospect of my joining C.B.S. as a political commentator. "Mac", now Chairman of the Board of the Mutual Broadcasting System and a former president of the National Association of Broadcasters, has played a stellar role in developing radio to the present level of significance in American life.

"Thus I found that even before Codel had paved the way to an appointment for me with handsome young Bill Paley, president of C.B.S., in New York, that boyish-looking executive, whose 1938 salary was slightly under $175,000, which is more than twice that of the President of the United States, had made certain soundings regarding my professional status at Washington. In consequence, C.B.S., Paley said, was ready to offer me a three-year contract to be its political analyst at $10,000 a year - No. 1 arrangement of its kind, I think, in broadcasting annals. My talk was not to be commercially sponsored, but to become what the trade calls a 'sustaining' feature, i.e., paid for by the broadcasting chain itself. Paley asked me to draw up the kind of a contract that I thought the situation required. My dear friend, Frank J. Hogan, leader of the District of Columbia Bar, and 1938-1939 President of the American Bar Association, thereupon prepared an agreement which met with Paley's unqualified approval. It provided, among other things, that my broadcasts on the political situation in Washington were not subject to censorship by the network."

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WIRED RADIO USE SPREADS IN GERMANY

Wired radio experimentation is progressing in Germany, according to the American Consulate, at Leipzig.

First trial experiments were started by the German postal authorities in 1933. Meantime they have been improved so as to be made accessible to the general public. The Postal Management in the Leipzig district has begun to introduce this new wire broadcasting system in many cities under its jurisdiction, such as the southern suburbs of Leipzig, as well as in Bitterfeld, Halle (Saale), and Sangerhausen. Every participant in broadcasting service is compelled to permit the fixing of the connection with the wire broadcast transmission at his receiving set. The same applies to every owner of a telephone connection, as well as to all owners of buildings in which telephone connections or radio receiving stations already exist. The German postal authorities connect the radio receiving party without his application and without any cost to the wire broadcasting net. It is claimed that the wire transmission improves the tone of the performance and diminishes disturbances to a minimum degree.

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Station WTAL, Atlanta, Georgia, joins the Mutual network on Sunday, January 21, to become the network's 125th affiliate. WTAL is operated by the Atlanta Broadcasting Co., operates on 1,370 kilocycles, with 250 watts daytime and 100 watts nighttime.

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TRADE NOTES

A revised form of annual financial report required of standard broadcast stations and networks was adopted by the Federal Communications Commission this week. It is applicable to the 1939 income statement, with balance sheet, which is due March 1, 1940. The forms do not include schedules for program data, since it was requested by representatives of the broadcast industry that such schedules be distributed separately.

Directors of the Columbia Broadcasting System have elected William C. Gittinger to the post of Vice-President in Charge of Sales. With the company six years, the last five as Sales Manager, Mr. Gittinger has been active in the development of sales policies which continue under his direction. Prior to 1933, he was associated, over a twenty-year period, as an advertising executive with Tidewater Associated Oil Company, the Joseph Richards agency, and the Vacuum Oil Company.

The NBC Artists Service Concert Division finished 1939 with the largest income it has ever had. Bookings have grossed $1,430,000, against $1,300,000 for 1938, with the benefit concert of Toscanini and the NBC Orchestra December 2 bringing over $24,000 into the box office.

R. Henry Norweb, United States Minister to the Dominican Republic, sailed this week on the Grace liner Santa Lucia as head of the United States communications experts to the Inter-America Radio Communications Conference in Santiago, Chile, the last week in January. Mrs. Norweb accompanied him.

Mr. Norweb said he had been an amateur radio operator for twenty years and assumed that this was one of the reasons he had been named to head the United States delegation.

"Great interest I am sure will be shown in the exchange of weather information among our countries", he said. "We've got to do something to improve our weather reports, which have been crippled since the war began."

Gross billings for time on the Columbia Network -- prior to deductions for agency commissions and time discounts to sponsors -- totaled $3,529,154 during December, 1939. The December figure brings the twelve-month cumulative total for 1939 to $34,539,665.

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ASCAP WINS VICTORY IN NEBRASKA COPYRIGHT SUIT

The American Society of Composers, Authors, and Publishers won a distinctive victory last week in its fight against State laws restricting its activities when a Federal Court in Nebraska granted the first permanent injunction against the application of an anti-ASCAP law.

The decision declared the Nebraska anti-ASCAP law unconstitutional and was written by a three-judge constitutional court in Lincoln, Neb.

The court ruled that portions of the law which it adjudged invalid were so essential to the whole that the whole law must be held inoperative. Circuit Judge Gardner of Huron, S.D., wrote the opinion, with District Judges Munger and Donohoe also hearing the case.

Exercise of State police power over combinations allegedly in restraint of trade is subject to the Federal Constitution, the court stated, describing the right of an author in intellectual productions as similar to any other personal property right. "The statute cannot be justified as a method of exercising the police power", the court stated. "This power may not be extended to the extent of taking private property for a public use.

"While the power reasonably to restrain unlawful monopolistic trade, restraining combinations from exercising any rights in the State may be conceded, an act which compels the owner of a copyright to offer it for sale in a certain way, and if he fails to do so take it from him without compensation, violates the due process and equal protection clauses of the Constitution and the Federal Copyright Act."

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NEW NETWORK POSTPONES OPENING IN AGENCY ROW

The Transcontinental Broadcasting System, of which Ellictt Roosevelt is president, announced this week at its New York headquarters that the projected opening of the 102-station system on New Year's Day had been postponed a month.

John T. Adams Chairman of the radio system's Board, charged in a statement that "an advertising agency" had "declined to fulfill its commitments" for two of its clients, the programs of which were anticipated for the radio chain. Collectively, it was said, these clients were to have used the equivalent of fifteen hours of time on the air weekly. Now, it was said, the postponement will be necessary to complete arrangements with other agencies for the radio time.

In response to the network's statement, Maurice Bent, Vice-President of Blackett-Sample, Hummert, Inc., with which the radio system was negotiating, declared in a statement that arrangements never had gone beyond the "negotiation state". Further, the agency's statement asserted, the radio system "failed to submit evidence of its financial ability to operate a network".

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DEPARTMENT RECEIVED JAN 10 1940

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No. 1198

January 9, 1940

BROADCASTERS HOPE FOR QUIET SESSION OF CONGRESS

With politics in the saddle of the Seventy-Sixth Congress, broadcasters are looking forward, somewhat hopefully, to the quietest session in several years so far as radio legislation is concerned.

Although there are almost 50 bills effecting radio in the Senate and House, there now appears little prospect that more than a half-dozen will arise to plague the broadcasters.

Reorganization of the Federal Communications Commission and resolutions demanding investigations of networks and "radio monopolies" are definitely dead although there may be some sounding off by FCC critics when other issues lull.

Copyright legislation, which has been pending before Congress several years, may have a revival, but observers doubt that it will be sufficient to put through any legislation this year.

Action on the proposed international copyright treaty, which was opposed vigorously by broadcasting interests last year, was abandoned at the last session with the definite understanding that it would be considered this year, along with legislation revising domestic copyright laws.

Broadcasters have repeatedly urged elimination of the copyright law's provision that a minimum fine of $250 shall be imposed for each copyright infringement.

Representative Martin L. Sweeney (D.), of Ohio, is prepared to wage a one-man fight in behalf of super-power because of the FCC action against Station WLW, Cincinnati.

On the eve of the opening of Congress, Representative Sweeney let loose a new blast of figures designed to show listener preference for high power broadcasting outlets. He stated he will sponsor legislation to protect clear channels and pave the way for licensing of super-power stations in the interest of rural listeners.

Because friction at the FCC has died down since the change from Frank R. McNinch to James L. Fly, the Commission is expected to be less of a target for Congressional critics than it has been for some time.

The NAB Code, especially its provision barring sponsored talks on controversial subjects, doubtless will draw fire as it did slightly during the special session.

Likewise, the campaign of Frank E. Gannett, New York publisher, to withdraw emergency powers of the President, including control over radio, probably will stir up a bitter political row before the session has gone very far.

Legislation which probably will have the best chance of enactment, observers believe, is that designed to forbid beer and liquor advertising on the air. Such a bill is now on the Senate calendar, having been reported favorably by the Interstate Commerce Committee.

Proposals to authorize the construction of a government-owned short-wave station are also before the Congress although there appears little support for them now.

The FCC budget will be reported to the House within a few weeks by the House Appropriations Committee and probably will start off whatever fireworks there may be on radio administration.

President Roosevelt in his budget message to Congress last week asked for $2,125,000 for total appropriations for the Federal Communications Commission for the fiscal year 1941 composed of $2,100,000 for salaries and expenses and $25,000 for printing. For the present fiscal year of 1940, the total appropriation for the Commission is $1,838,175, composed of $1,800,000 for salaries and expenses; $25,000 for printing; and $13,175 for special investigations.

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URUGUAY MOVES TO REGULATE RADIO TRANSMISSIONS

The Executive Power of Uruguay has submitted to the General Assembly a bill for the regulation of radio transmissions, according to the American Consulate General at Montevideo. Aerial communications would constitute a public service exploited directly by the Direction General of Communications, and nobody would be permitted to establish a broadcasting station without authorization of the Ministry of National Defense. Licenses for private stations would be granted, however, under very rigid regulation.

The following transmissions would be specifically prohibited: those inciting to treason, or to disrespect of the national sovereignty, sedition or rebellion against the constituted authorities; those which might adversely affect relations with other countries; those opposed to good morals and manners; those tending to obstruct the course of justice; false alarms of any kind; results of forbidden lotteries, or other forms of gambling; propaganda for collections of money, etc., not specifically authorized by the appropriate Ministry.

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ZENITH GETS HIGH FREQUENCY EXPERIMENTAL PERMIT

The Federal Communications Commission has granted a construction permit for a new experimental high frequency broadcast station to the Zenith Radio Corporation of Chicago. The assignment is 42,800 kilocycles, 1 kilowatt, special emission for frequency modulation, unlimited time, in accordance with Commission rules and regulations for such experimental work.

The program of research and experimentation which the applicant proposes is expected to obtain data, particularly on the merits of wide band and narrow band modulation, which will be helpful at the informal engineering hearing on aural broadcasting on high frequencies, to open before the Commission on Februarh 28th.

The Zenith corporation is licensee of television broadcast station W9XZV (42,000-56,000, 60,000-86,000 kilocycles, 1 kilowatt aural and visual power, A3 and A5 emission) already located in Chicago.

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MAJ. ARMSTRONG PLEASED AFTER "STATICLESS" TEST

Pointing the way to what he believes to be the future of radio broadcasting, Maj. Edwin H. Armstrong of Columbia University Friday night demonstrated his "staticless" system in a relay through five stations in five States, chiefly in New England, according to the New York Times. The program relay was effected through ultra-short waves, the characteristic of which is freedom from distortion, fading and interference. In previous relay tests three stations were employed.

The broadcast, based upon "radio frequency modulation", as Major Armstrong describes the system, originated at Station W2XCR, Yonkers, N.Y., operated by C. R. Runyon, co-experimenter. From Yonkers the music and voices were flashed to W2XMN, Armstrong's key transmitter at Alpine, N.J., from the lofty aerial of which the program was relayed in turn to W1XPW, Meriden, Conn., W1XOJ, Paxton, Mass., and W1XOY at Mount Washington. The latter station broadcast by the ordinary method of a receiving outpost of the Yankee network at Winchester, Mass., which sent the program by telephone wire to the network's headquarters in Boston and relayed it by wire back to Yonkers.

"This test is most gratifying", said Major Armstrong. "Boston observers report the program went into that city with tonal quality never before heard, and the operators atop Mount Washington reported it as clear as if next door. The broadcast went from Yonkers to Mount Washington without using an inch of wire."

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U. S. DELEGATION ON WAY TO CHILE CONFERENCE

The Second Inter-American Radio Conference will be held at Santiago, Chile, January 17-23. The United States delegation, now on its way, consists of the following:

Delegate: R. Henry Norweb, American Minister to the Dominican Republic.

Technical Advisers: Department of State, Joseph T. Keating, Division of International Communications; also Secretary of the delegation; Department of War, Capt. W. T. Guest, Signal Corps, United States Army; Department of the Navy, Rear Admiral Stanford C. Hooper, United States Navy, Director, Technical Division, Office of the Chief of Naval Operations; Federal Communications Commission, E. K. Jett, Chief Engineer, Gerald C. Gross, Chief, International Division; Civil Aeronautics Authority, Lloyd H. Simson, Radio Communications Specialist.

The First Inter-American Radio Conference held at Havana, Cuba, in November 1937, concluded the Inter-American Radio Communications Convention which provided for periodical conferences to consider problems arising in the field of radio communications in the American Continent. Subsequently the Conference adopted a resolution accepting the offer of the Government of Chile for the second meeting to be held in that country during the first quarter of 1940.

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RADIO DEVICE TO MEASURE DISTANCE CLAIMED

According to the "Russia Today" Press Service, a device for utilizing radio waves to measure distances between two points has been invented by two Soviet scientists, Messrs. L. I. Mandelstam and N. D. Papalexi. It consists of two special receiving and transmitting sets located at the two points, and radio waves of a determined length (which must be known exactly) are emitted from one set and received by the other, from which they are relayed back to their source and compared upon reception with the original radiation. Measurements based on the knowledge of the speed with which radio waves travel enable the number of radio waves and the distance between the two sets to be calculated.

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MINIMUM RADIO FINE REDUCED IN COPYRIGHT MEASURE

The minimum statutory damages allowed for infringement of a music copyright by a radio station would be reduced from $250 to $150 if an omnibus copyright bill introduced in the Senate this week by Senator Thomas (D.), of Utah, at the request of the National Committee of the U.S.A. on Intellectual Cooperation, were passed.

Under sub-section (d) (3) of Section 19 the principles of statutory damages of the 1909 Act are retained, Senator Thomas explained, except that the maximum is raised from $5,000 to $10,000 and the minimum is retained at $250 except in the case of public performance for profit of a musical composition. Here the minimum is $150 and the maximum $2,500.

In a letter of explanation published in the Congressional Record of January 8th, along with the text of the bill, the Committee which drafted it comments on the radio provision:

"The principle of statutory damages as a deterrent to infringement has been supported by all groups except the National Association of Broadcasters, who oppose any minimum statutory damage for infringement by radio broadcasters."

The Committee explains that the Copyright Bill does not cover renditions and mechanical transcriptions because the sponsors were unable to agree.

"With regard to renditions, the Committee heard a representative of the Association of Performing Artists, and, after much discussion, it reached the conclusion that thought has not yet become crystallized on the subject, and that no way could be found at the present time for reconciling the serious conflicts of interests arising in this field", the letter stated.

The record manufacturers, the letter continues, "ask that section 46 (a) (ii) be omitted. Concerning this request, the record manufacturers maintain that the clause as it stands is correlated with the omission of the 'compulsory license' clause; they wish the benefits of the compulsory clause continued on all existing recordings.

"The Committee for the Study of Copyright recognizes that record manufacturers need a regulating provision that shall enable them to control the use of their recordings so that they may not be utilized in radio broadcasting or other diffusion to the public for profit without permission and adequate remuneration. It might be possible under section 13 to add a paragraph stipulating if an author granted the right to use his work to a record manufacturer that manufacturer should have the right to print upon the record 'Price - for private use; use for public diffusion for profit only on special arrangement'. This regulation should also provide that the owners of work diffused should be paid for their

public-performance rights and that performing artists under contract should receive a certain percentage on the public performance of the recordings of their interpretation.

"The objection to this suggestion is that such regulation should not be in a copyright bill. The answer of the recording interests is that it is connected with copyright as is the manufacturing clause. In reply it is argued that the manufacturing clause should not be in the bill but it has been there so long that it is difficult to remove it. There is considerable opposition to giving copyright in recordings for they are not commonly creations of literary or artistic works but uses of them.

"The problems of mechanical recordings and performers' rights are being widely studied, the latter especially by the International Labor Office. The general view is that such rights are not copyright but related to copyright and that there should be regulating provisions to safeguard these rights.

"In conclusion, it should be pointed out that inasmuch as this bill is the result of long discussions, at which all interests concerned presented their views, there would hardly be any desire on the part of the various groups concerned for extended hearings. On the other hand, if the Committees on Patents of the Senate and the House wish explanations on any parts of the bill, the Committee for the Study of Copyright is in possession of copious memoranda submitted by various groups during the drafting of the bill, and would be pleased to communicate these to the congressional committees."

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NBC BUYS SPACE FOR "RADIO NEWS" COLUMN

The Central Division of the National Broadcasting Company is trying a new experiment in newspaper advertising of radio programs, featuring a radio "news column" in paid space in the Chicago Daily News six times a week on the same page with the paper's listing of radio programs, according to Editor & Publisher. Space is paid for at the national rate under a plan whereby the Daily News is using time on WMAQ for promotional purposes.

"Radio Parade" is the title of the column, which appears under a six-point slug denoting it as an advertisement. Every effort is made, according to William Ray, Manager of the Press Division, to make the column appeal to readers on a strictly reader interest basis. The column carries the by-line of Jack Thompson, although it is written by the Press Department under the direction of Mr. Ray.

One of the columns last week featured the fact that two-thirds of NBC's programs are non-commercial and of the one-third that are commercial, only 10 to 15% of the time is devoted to sales talk. Another column sought to dispel the belief "that radio has nothing to offer but jazz, male crooners, crude comedy and long-winded commercial announcements".

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RADIO GALLERY IN DIRECTORY FOR FIRST TIME

The radio correspondents, who only last year succeeded in gaining admission to the Senate and House press galleries, are included in the Congressional Directory issued last week for the first time.

The gallery, which has separate quarters from the press, boasts 32 members and is growing steadily. The three major networks have 21 staff representatives, who put in an appearance only when the big news breaks. Transradio Press has eight reporters on the list, and the Yankee Network, the Washington Evening Star's WMAL, and WQXR, New York, have one correspondent each.

The complete list follows:

CBS: Albert L. Warner; John Charles Daly, Jr.; Albert Dennis; Ann Gillis; James W. Hurlbut; Stanton Rust Prentiss, and William J. Slocum, Jr.

NBC: W. R. McAndrew; Charles C. Barry; H. R. Baukhage; Marian P. Gale; E. L. Haaker; Thomas E. Knode; Mary Mason; Fred Shawn, and Carleton D. Smith.

Mutual: Fulton Lewis, Jr.; Frank S. Blair, Jr.; Walter Compton; Madeline Ensign Cronan; Stephen J. McCormack.

Transradio Press Service: Rex Goad; Fred W. Morrison; Gertrude V. Chestnut; Robert E. Lee Moore; Clifford G. McCarthy; Wilmot Ragsdale; Macon Reed, Jr., and Frederic B. Tuttle.

WMAL and the Evening Star: William Enders Coyle.

Dorothy C. Rockwell represents WQXR, with Francis W. Tully, the Yankee Network.

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TEXT OF RULING ON RECORDINGS RELEASED

The Federal Communications Commission this week released the text of its amendment to Section 3.93 of the Standard Broadcast Rules, adopted last week. It reads as follows:

"3.93 Mechanical records. Each broadcast program consisting of a mechanical record, or a series of mechanical records, shall be announced in the manner and to the extent set out below:

"(a) A mechanical record, or a series thereof, of longer duration than thirty minutes shall be identified by appropriate announcement at the beginning of the program, at each thirty minute interval, and at the conclusion of the program; Provided, however, That the identifying announcement at each thirty minute interval is not required in case of a mechanical record consisting of a single, continuous uninterrupted speech, play, religious service, symphony concert or operatic production of longer duration than thirty minutes;

"(b) A mechanical record, or a series thereof, of a longer duration than five minutes and not in excess of thirty minutes shall be identified by an appropriate announcement at the beginning and end of the program;

"(c) A single mechanical record of a duration not in excess of five minutes shall be identified by appropriate announcement immediately preceding the use thereof;

"(d) In case a mechanical record is used for background music, sound effects, station identification, program identification (theme music of short duration), or identification of the sponsorship of the program proper, no accouncement of the mechanical record is required.

"(e) The identifying announcement shall accurately describe the type of mechanical record used, i.e., where a transcription is used it shall be announced as a 'transcription' or an 'electrical transcription', and where a phonograph record is used it shall be announced as a 'record'."

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TRADE NOTES

The U. S. Bureau of Foreign and Domestic Commerce this week released an index by countries of its world radio market series to be released in 1940.

Reports issued this week were for British India, the Philippine Islands, Belgium, French Guiana, Sengal, and Tanganyika.

The American Legation, Athens, reports that a recent decision of the Ministry of National Economy, authorizes the granting of import permits for radio apparatus by countries valid through June 1940, not to exceed one-third of the value of such equipment imported by individual firms during the first half of 1939 from each country.

Pittsburgh radio stations, the Pittsburgh Post-Gazette, and the Radio Servicemen's Association of Pittsburgh combined to stage one of the biggest cooperative charitable tieups in the history of the city at Christmas. The four radio stations and the newspaper conducted an intensive campaign appealing to the public to donate their old radio sets to the committee for rehabilitation and distribution to needy families. The original goal was 500 sets; within two days the response was so great that the goal was doubled. Five days before Christmas the goal had been reached and offers of radios were coming in so fast it was necessary to appeal to the public to let up. Facilities for collecting and repairing the sets were far surpassed.

Samuel Avins, general counsel for the Radio Servicemen's Association of Pittsburgh, declared: "At the rate offers were pouring in on us, we could have received 2000 sets. Next year we will start earlier with a goal of 2500 sets."

The Office of the American Commercial Attache, Stockholm, reports that the number of radio licenses issued in Sweden during the third quarter of 1939 was 12,138, thus making a total of 1,313,794 on September 30, 1939. This figure corresponds to 208.2 licenses per 1,000 inhabitants.

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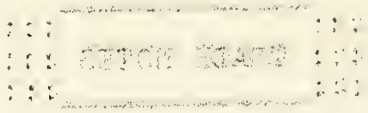

ROOSEVELT QUITS NEW NETWORK; TBS FUTURE IN DOUBT

Elliott Roosevelt last week announced his resignation as President of the Transcontinental Broadcasting System, which was scheduled to start operations January 1 but now appears to have become involved in difficulties which may dissolve the undertaking.

One report was that the network, which has moved its opening date to February 1, is now in the control of H. J. Brennen, owner of KQV and WJAS, Pittsburgh.

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SALARIES OF WIRE COMPANIES DISCLOSED BY FCC

The Federal Communications Commission reported last week that 568 officials of telephone and telegraph concerns received salaries of $10,000 or more in 1938, the same number as in 1937.

The number of such salaries in the telephone industry increased from 515 to 520, but there was a decrease from fifty-three to forty-eight in the telegraph industry.

The report showed six telephone officials with salaries of $62,500 or more and one telegraph official in the same class.

Using titles but not names, the report listed 123 salaries of the American Telephone and Telegraph Company of $10,000 or more, headed by the President's $206,250. Other salaries of the concern of $50,000 or more included:

Vice President and Director, $100,000; Vice President and General Counsel, $75,000; Vice President and Chief Engineer, $75,000; Vice President and Director, $66,000; Vice President, $66,000, Vice President, $55,000, and Vice President and Chief Engineer, $50,000.

The highest telegraph salary reported was $85,000 received by the President of the Western Union Telegraph Compamy. The Chairman of the Board of Directors received $50,000.

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CBS FILES AMENDED REPORT ON 1938-1939

Amended reports covering developments in 1939 and 1938 have been filed with the Securities and Exchange Commission by the Columbia Broadcasting System. The reports were made public at the New York Stock Exchange last week.

Columbia Broadcasting reported that at the end of June last, it increased indebtedness to the Bank of the Manhattan Company and Brown Brothers, Harriman & Co. by $300,000 to $1,000,000. It issued notes for $180,000 to the first and for $120,000 to the latter, these notes coming under an earlier agreement that interest should be 1½ percent to Dec. 22, 1939, 2 percent for the next year, 2½ percent for the next year and 3 percent for the two remaining years to maturity on Dec. 22, 1943.

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MUTUAL BROADENS PLAN OF OPERATIONS FOR 1940

The Mutual Broadcasting System, starting its fourth year of coast-to-coast operations, has drawn up an expanded plan of operations covering the next five years, W. E. Macfarlane, President of Mutual, said following a members' meeting in Chicago.

Seven independent broadcasting organizations, including 57 of Mutual's 124 stations in the United States, Canada and Hawaii, have pledged themselves to underwrite the financial operation of the network, Mr. Macfarlane said. These key broadcasters, situated in the leading cities, are to serve as principal program origination points.

All of these key member stations have renewed their contracts with the Mutual network for five years, effective Feb. 1, 1940, Mr. Macfarlane stated. Capital stock of the network will be distributed among these contributing member stations.

Mutual network member stations entering into this new arrangement are: WGN, Chicago; WOR, Newark; the Don Lee Broadcasting System; with 33 stations in California and the Pacific northwest; WAAB, Boston, and 17 other Colonial Network stations of New England; CKLW, Windsor-Detroit; the United Broadcasting Corporation, comprising radio stations WHK and WCLE, Cleveland, and WHKC, Columbus; and the "Times Star" station, WKRC, in Cincinnati.

The Board of Directors will be enlarged to give the new stockholders representation. A final meeting for the election of these Directors and ratification of contracts already agreed upon will be held in Chicago sometime during January. These member stations shall devote themselves to undivided and exclusive participation in the Mutual network except for existing commitments.

Supplementing the Board of Directors will be an operating board, an organization unique in the annals of network history. It will comprise one representative from each of the seven member groups, plus additional representation appointed by other affiliates. Under this plan, each and every station united with Mutual will have an active voice in general operation and policies, meeting at least twice a year with Fred Weber, Mutual's General Manager. The non-contributing affiliated stations will elect a group of two or three representatives to attend these meetings.

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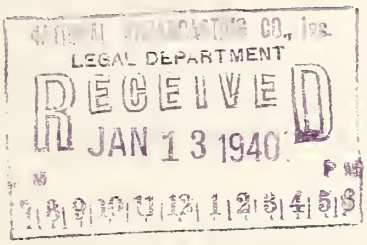
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



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BROWN TO BE COCA COLA ATTORNEY AFTER RESIGNING

The real reason for the expected resignation of Thad H. Brown from the Federal Communications Commission was disclosed this week along with the "inside story" of how he got the job.

Commissioner Brown, who was reported a fortnight ago to be planning to quit the FCC to practice law, will be the Washington attorney or representative for the prosperous Coca Cola Company, of Atlanta, it was learned, at a salary which well exceeds the $10,000 a year of his Government income.

From a highly reliable source it was learned that he obtained the job through his friendship with former Governor James M. Cox, who has recently spread his newspaper publishing and radio broadcasting activities into Atlanta, home of Coca Cola.

Mr. Cox, one-time Democratic nominee for President, on December 12 acquired control of WSB, 50,000 watt station, along with a 40 percent interest in its sister NBC outlet, WAGA, a regional station. He bought the famed Atlanta Journal in the same transaction.

It was after this deal had been approved by the FCC that the story came out regarding Commissioner Brown's intention to resign from the FCC early this year.

When a Washington correspondent for a newspaper syndicate serving Ohio papers learned of the Coca Cola job, reputedly obtained for Mr. Brown, a staunch Ohio Republican, by ex-Governor Cox, he thought he had a good story.

Commissioner Brown was out of the city at the time. Someone at his home confirmed the rumor of his resignation and law practice, but when he mentioned Mr. Cox and Coca Cola, the informant "hit the ceiling", according to a newspaper man's version.

When the correspondent refused to drop the story, Mr. Brown himself entered the picture and got in touch with the syndicate editor. He insisted the story was premature.

As a result, the newspaper report was published without any reference to Mr. Cox or Coca Cola. It did say, however, that Mr. Brown expected to represent "a soft drink company".

Commissioner Brown's term on the FCC does not expire until June, but it is expected that he will leave the Commission before Spring. In fact, he was due to leave this month, but the

Cox story is said to have upset him so that he postponed the resignation.

Colonel Brown, former Secretary of State in Ohio, has been with the FCC ten years, first as General Counsel of the old Federal Radio Commission, and since 1932 as a Commissioner.

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PROCEDURE FOR FCC TELEVISION HEARING OUTLINED

The Federal Communications Commission announced this week that parties interested in the proposed television rules and regulations may appear in defense of, as well as opposition to the same at the public hearing scheduled to start at 10 o'clock next Monday morning, January 15, before the Commission en banc. Such participation will be limited, however, to evidence and argument in rebuttal to exceptions offered. Persons desiring so to participate may apply for time to the Commission at the hearing, at the close of the presentation of evidence and argument in support of objections.

The Commission also stressed that it will afford parties opportunity to be heard on specific recommendations of the Television Committee in addition to the proposed rules and regulations. The allocation table was cited as an example of such recommendations.

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HANDBOOK ON RADIO INSTALLATIONS ISSUED BY U.S.

The National Bureau of Standards has issued "Safety Rules for Radio Installations", consisting of practical advice how to set up a radio transmission station and the rules that must be observed under the National Electric Safety Code.

The handbook contains Part 5 of the fifth edition of the General Code. The present edition is the result of a revision of the rules in accordance with the procedure of the American Standards Association.

Copies may be obtained at ten cents each from the Government Printing Office.

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COMPETITION IMPROVES RADIO PROGRAMS, FCC DECLARES

"Competition in radiobroadcasting means, insofar as listeners are concerned in a particular community, a wider choice of programs, and consequently a heightened listener interest which may very well result in a greater amount of advertising expenditures because of increased listener hours with consequent increased revenues for both stations", the Federal Communications Commission stated this week in denying the petition of Virgil V. Evans, licensee of Station WSPA at Spartanburg, S. C., for rehearing or reconsideration of the Commission's grant to the Spartanburg Advertising Company of a construction permit for a new broadcast station at that place.

"In the radiobroadcast field public interest", the FCC said, "convenience and necessity is served not by the establishment and protection of monopolies, but by the widest possible utilization of broadcast facilities. Competition between stations in the same community inures to the public good because only by attracting and holding listeners can a broadcast station successfully compete for advertisers. Competition for advertisers which means competition for listeners necessarily results in rivalry between stations to broadcast programs calculated to attract and hold listeners, which necessarily results in the improvement of the quality of their program service. This is the essence of the American system of broadcasting.

"Experience has shown that the addition of a competitive station in a community does not bring about disastrous results sometimes predicted by the licensee of an existing station in the community. More often the protests of the existing station to the establishment of a new station spring not from a desire to insure its continued operation in the public interest, but rather from the purely private interest of seeking a monopoly in a field in which the interests of the public are best served by competitive operation."

The Spartanburg Advertising Company station proposes to operate on 1370 kilocycles, with a power output of 100 watts night, 250 watts day, unlimited time. Station WSPA operates on 920 kilocycles, with power of 1 KW, daytime hours.

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THREE RADIO FIGURES AMONG "YOUNG MEN OF 1939"

Radio took three places among America's 10 "young men of 1939" selected by Durward Howes, a biographer, of Los Angeles. This week he made public his sixth annual choice of the Nation's men ranging in age from 32 to 40. Among them were: Philo Farnsworth, 33, Philadelphia, for developing television's basic principles; Fulton Lewis, Jr., 36, Washington, D. C., radio news commentator for the Mutual Broadcasting System; and William S. Paley, 38, New York, N.Y., President of the Columbia Broadcasting System.

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BRITISH PLAN TO PUSH RADIO EXPORTS DESPITE WAR

British radio manufacturers are pushing the export trade despite the war, according to an article from "The Times Trade and Engineering", London, submitted to the Commerce Department by the American Commercial Attache.

The article, while stating that domestic radio sales rose at the outbreak of the war along with the retail price, indicates that local purchases have since dropped.

"The extent to which the war has given a fillip to radio may be judged from the fact that the number of licenses rose by 41,323 during September", the article said. "This is the largest monthly increase for some time, and is no doubt accounted for to some extent by the purchase of additional sets by many people for use in air-raid shelters and dug-outs and in reception areas.

"Though prices have risen by an average of about 10 per-cent, owing to the increased cost of raw materials, manufacturers have been busy, particularly in the departments concerned with battery sets. The brisk demand for these is due to their inde-pendence of electricity supplies, and will continue; but in spite of criticisms of the B.B.C. programs public reliance on radio was never so great as it is now, and consequently the outlook for the industry generally is considered good.

"There are, however, certain difficulties in the way. Many factories have lost labor through the calling up of men for military service, and there is a possibility of a shortage of raw materials. But as the Government recognizes the vital part played by radio in news dissemination and in other ways a sympathetic attitude to the needs of manufacturers is expected.

"Another difficulty, and one which caused more than a little anxiety at the outset, was an announcement that the export of wireless valves and permanent magnets was to be prohibited except under license. As these components are vital parts of receiving sets, the whole of the export trade in the latter was threatened with extinction. The Radio Manufacturers' Association, however, promptly made representations to the authorities, who soon clarified the situation. It was laid down that the ban does not apply either to valves fitted into sets or to permanent mag-nets in loudspeakers which form an integral part of sets.

"With the path thus cleared for action, the trade intends to do everything possible to increase exports, and in this makers will, of course, be assisted by the lower value of the pound sterling. Special efforts will be directed towards the Dominions, where conditions are particularly favorable. In 1938, shipments of radio apparatus from this country to the Empire oversea amount-ed to £942,168, or practically half of the total sent to all parts of the world.

"The principal markets were New Zealand (£150,848), India (£149,079), South Africa (£144,779), Eire (£127,295) and Australia (£115,140). New Zealand's restriction of imports affects British prospects in that market seriously, but there is no reason why exports to other Dominions should not be developed."

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FREQUENCY MODULATION GROUP IS ORGANIZED

Anticipating the spread of frequency modulation broadcasting, the FM Broadcasters, Inc., has been organized with John Shepard, III, head of the Yankee Network, as Chairman.

The Federal Communications Commission has scheduled an informal engineering hearing on February 28 to investigate the new "staticless" radio transmission.

After organizing last week in New York, the broadcasters interested in frequency modulation development elected, besides Mr. Shepard, the following Directors:

Theodore C. Streibert, WOR; J. V. L. Hogan, WQXR; Ray Manson, Stromberg-Carlson; C. M. Jansky, Washington. D. C.; Carl Meyers, WGN, Paul Morency, WTIC; Walter Damm, WTMJ; and F. M. Doolittle, WDRC.

Philip Loucks, of Washington, D.C., was selected as attorney for the new frequency modulation group. The FMBI group will be incorporated as a Delaware corporation with main offices and headquarters in Washington.

Seventy-three persons attended the New York meeting and represented 43 groups or organizations who have a frequency modulation station, or who have a construction permit, or have applied or propose to apply for a FM license. A majority of the attending group signified their intention or interest in joining the newly organized FM Broadcasters, Inc.

The Board decided upon a yearly levy of dues of $300 per annum, beginning with the calendar year January 1, 1940. This is to provide for the presentation of technical data and group recommendations for the FCC hearings. Persons representing more than one station for which licenses have been issued, will be required to join up each station separately for membership. An Executive Engineering Committee and a General Engineering Committee was appointed to prepare the necessary technical data for presentation to the Federal Communications Committee, relative to the Frequency Modulation hearings.

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"AN ABC OF THE FCC" GIVES FACTS ABOUT COMMISSION

A highly informative digest of the facts about the Federal Communications Commission was issued this week by the FCC under the title "An ABC of the FCC".

Prepared by George O. Gillingham, Public Relations Chief, the review covers ten mimeographed pages and is presented in question-and-answer style.

Some of the little known facts uncovered by the FCC biography are:

It employs more than 600 persons, 200 of which are in the field.

It has 26 field stations and seven monitoring units, with 115 inspectors, keeping check on radio activities.

About 65,000 radio stations of all types are licensed by the FCC. This includes 800 standard broadcast stations, 600 broadcast stations other than standard, 400 experimental stations, 3800 ship radio stations, 1800 aviation stations, 1100 police radio stations, 250 forestry stations, 54,000 amateur licensees, 300 coastal radio stations, 800 fixed radio stations, and the rest miscellaneous.

There are 5,000 commercial radio stations in the country, and more than 15,000 commercial operators were licensed last year. There are approximately 50,000 commercial operators of all classes under FCC jurisdiction.

"Has the FCC anything to do with national defense?" the review asks and answers:

"Besides performing important functions in connection with the preservation of neutrality, the Commission is expressly charged by its creative act with carrying out 'the purpose of the national defense'. The act gives the President special powers in respect to communications in the event of war or national emergency."

"Can the FCC censor programs?"

"No." Then follows a quotation from the Communications Act.

"Will the FCC consider individual complaints about a particular radio program?"

"Yes, if the complaint deals with any matter within the Commission's jurisdiction under the provisions of the Act."

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TOWNSENDITES OPEN FEEBLE DRIVE AGAINST NAB CODE

Somewhat feebly this week, the Townsendites opened a campaign in Congress against the NAB Code ban on sponsored controversial broadcasts. Representative O'Connor (D.), of Montana, inserted in the appendix of the Congressional Record a resolution adopted by the Billings Townsend Club, No. 1, of Billings, Mont.

The resolution read as follows, in part:

"Whereas the National Association of Broadcasters, representing about 90 percent of the American broadcasting stations, has issued an edict barring the purchase of radio time for discussion of controversial questions on the air; and

"Whereas said association still allows the discussion of political questions. discussions of the Federal Social Security Law, discussions of religious matters by persons not objectionable to the association, and also the discussion of the advantages of the use of cigarettes, all of which questions are highly controversial, and yet have refused to allow Dr. Townsend to discuss the Townsend plan, one of the most important economic issues before the American people today; and

"Whereas advertisers on radio programs, by their patronage, are, in effect, supporters of the unjust and tyrannical action of the broadcasters; and

"Whereas the legitimate radio field has been circumscribed by said rule to the detriment of radio users all over the United States: Now, therefore, be it

"Resolved by Billings Townsend Club No. 1, That our Senators and Representatives in Congress be urged to immediately demand that the Federal Communications Commission cancel the radio licenses of all stations adhering to the above-mentioned rule and denying the right of persons to discuss controversial questions on paid time. If such licenses are not canceled by the Federal Communications Commission, we urge our representatives in Congress to pass a bill requiring such action by said Commission, when the constitutional right of free speech is infringed or denied by any broadcasting station or chain of stations; Be it further

"Resolved, That we urge all persons believing in the right of free speech on the air to refrain from buying or using any products now advertised by any manufacturers over stations affiliated with the National Association of Broadcasters until the aforementioned rule be abrogated: Be it further

"Resolved, That we urge all persons to refrain from buying any more new radios until the freedom of the air can be assured:"

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LISTENER ASKS GOVERNMENT SUBSIDIZATION OF RADIO

A plea for Government subsidization of radio in order to limit commercial advertising on the air was made recently in the "letters to the editor" column of the Washington Post.

James P. Sinnot, of Washington, the author of the proposal, said, in part:

"It would seem that at this time the country might well give thought to the pollution of its highways of the air through the medium of the dreary and too frequent commercial announcements that clutter up even the finest of radio programs.

"It will be said, no doubt, by the radio monopolies that commercial sponsorship makes possible the broadcast of great artists in the theater, fine orchestras, the major football and baseball games, and boxing matches. This is no doubt true, under the existing conditions surrounding the radio industry. . . . .

"The radio station under the present setup has no source of income except through the medium of the commercial broadcast. But it should have. Each station or chain should be proportionately subsidized by the Federal Government through the medium of a tax on radios, to be paid in part by the manufacturers and in part by the dealers. As it stands today, the manufacturer, through the medium of the dealer, sells the customer the medium through which the radio station forces him to listen to an advertising campaign.

"We hear a great deal of the need for a national theater and Government subsidization of grand opera. Why not Government subsidization of the radio?

"The stock defense of the great broadcasting chans in regard to commercial programs is that the listener is getting something for nothing. But is this true? Not any more than the assertion that because a man or woman buys an automobile he could not enjoy the beauties of the great scenic highways, and therefore should be happy to look at the billboards along the way that advertise things that he already knows about, favorably or unfavorably, as the case may be. . . . . .

"It will not be necessary to eliminate the commercial program entirely, but it should be confined to a definite period and listed as such, so that if we have already learned how we can carry the football through the line like Andy Farkas, or hit the baseball like Joe DiMaggio, we will not have to listen to it all over again, and can wait for the big game or the orchestra, or star of the theater or screen, that we wish to hear."

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TRADE NOTES

The Federal Communications Commission this week adopted its Opinion and Order granting the application of the Summit Radio Corporation for a construction permit to establish a new standard broadcast station at Akron, Ohio, to operate on the frequency 1530 kilocycles with 1 kilowatt power, unlimited time, using a directional antenna for nighttime operation.

The Federal Communications Commission this week granted the application of Yetta G. Smfort, C. S. Shealy, Thomas D. Samford, Jr., and J. H. Orr, d/b as Opelika-Auburn Broadcasting Company, for a construction permit to erect a new station in Opelika, Alabama, to operate on the frequency 1370 kc., with 250 watts during day and 100 watts at night, unlimited time, subject to approval by the Commission of transmitter site and antenna system.

First look at one of General Electric's new 1940 radio receivers was had not by domestic distributors, as usually happens, but by Admiral Richard E. Byrd and members of his expedition now enroute to Little America for the Third Byrd Antarctic Expedition. The explorers got the jump on distributors because their boat couldn't wait, and they were taking the receivers along on the trek south. The sets for the expedition were standard table models which received unusually rigorous testing to insure satisfactory operation at Antarctic temperatures.

Hearing on complaint of the Department of Public Service of the State of Washington against rates charged by the Pacific Telephone and Telegraph Company, serving the States of Washington, Oregon, California, Nevada and a portion of Idaho, was ordered by the Federal Communications Commission this week. Commissioner Paul A. Walker, who has handled this case, will sit at the hearing at Seattle at 10 o'clock on February 26 and at San Francisco at 10 o'clock on February 29.

The due date for 1939 annual financial reports required of standard broadcast stations was extended from March 1 to April 15 by action of the Federal Communications Commission this week. This was in compliance with request of licensees, who pointed out that these reports are made from tax returns and that a severe hardship would be involved if they were required to submit the same in advance of filing their tax returns. The Commission will provide the stations with a single sheet form for analysis of time sales for the past year, which is to be executed and returned to the Commission immediately.

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I. T. & T. REPORTS PROFITS FOR NINE MONTHS

International Telephone and Telegraph Corporation and subsidiaries earned consolidated net income, exclusive of German and Polish subsidiaries, of $3,970,585 for the nine months ended September 30, 1939 as compared with $5,990,060 for the nine months ended September 30, 1938, Sosthenes Behn, President, reported this week. The results of German and Polish subsidiaries for the nine months ended September 30, 1939, are not determinable because of the situation resulting from hostilities in Europe. The net income of these subsidiaries for the nine months ended September 30, 1938 amounted to $165,759.

"The translation of net current assets of foreign subsidiaries into U. S. dollars and other exchange losses have resulted in a net foreign exchange loss of $888,885 after deducting a profit on forward exchange transactions", the report stated. "This loss was caused principally by lower rates of exchange on September 30, 1939, as compared with December 31, 1938. The chief decreases resulted from the establishment, at or about the outbreak of the war, of official rates of $0.02284 for the franc and $4.02 for the pound, which were approximately the rates prevailing at September 30, 1939. A portion of the net foreign exchange loss, allocable to net current assets of subsidiaries in France and the British Empire, (after deducting the profit on forward exchange transactions) amounting to $766,786 has been charged to the Reserve for Foreign Exchange which was set up in 1936 and a credit in like amount has been made to this reserve by an appropriation from earned surplus. The remainder of the foreign exchange loss for the period,amounting to $122,099, was absorbed in the income account.

"Due to the uncertainty of the effect of the war operations and the extent to which restrictions may be imposed, it is impossible to estimate or to predict at this time the effect on the Corporation's cash and earnings resulting from the conditions created by the war in Europe. Cable revenues and revenues of telephone operating subsidiaries outside of Europe have improved since the outbreak of hostilities and the Corporation, in spite of the additional restrictions imposed since the outbreak of hostilities, has been able to transfer sufficient funds to enable it to cover its U.S. dollar requirements including interest and sinking fund requirements."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT RECEIVED JAN 17 1940

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No. 1200

January 16, 1940

G.E. INVESTS $1,000,000 IN TELEVISION

That the General Electric Company already has invested over $1,000,000 in television was brought out Monday at the Federal Communications Commission's public hearings regarding the proposed television rules and regulations. Furthermore, in excess of $300,000 has been spent on the new G.E. television station at Albany for the purpose of giving the capital of the State of New York and the surrounding country the best possible service. C. A. Priest, engineer in charge of the Transmitter Division of the General Electric, declared that if changes have to be made to conform to the new rules of the Commission, $60,000 in the erection of the Albany station will have been wasted.

During the course of his testimony, Mr. Priest, a man of few words and excellent presence on the witness stand, told about a marvelous high-pressure, water-cooled vapor light which the General Electric is developing for use in television studios. One kilowatt in this dazzling light gives as much illumination as 100 60-watt incandescent lamps, such as are ordinarily used in the home. It was said that this lamp would also be of great value to the motion picture.

Mr. Priest said the prime purpose of G.E. in television transmission was the desire to serve the people in that area. In order to give this service, it was necessary to develop equipment, and in order to develop equipment, it was necessary to transmit with sufficient power. He said it was obvious if the Albany station were limited to 1 kilowatt, as proposed, the company could not give adequate service. Mr. Priest saw no possibility of Albany being served from New York City. However, he said his company was carrying on experiments in the relaying of television broadcasts.

The witness expressed approval of the Radio Manufacturers' Association's television standards, saying that he believed them to be the best definition that could be arrived at now. It was his opinion that to throw open the RMA standards "to anything that comes along" would retard the development of the art. Commissioner T.A.M. Craven asked if he believed in a reasonable amount of flexibility. Mr. Priest replied in the affirmative.

Asked by William C. Bauer, FCC attorney, if television had reached a stage of entertainment value to the public, Mr. Priest replied that he believed it had. Someone wanted to know what was the smallest television picture the public would accept. The witness answered that he thought the only way to find this out would be to show the public all sizes and let them decide.

Chairman James L. Flay wanted to know if a larger picture wouldn't be more desirable. "Desirable, yes", was the reply, "if it didn't cost too much to produce."

It was suggested by M. L. Prescott, radio engineer of the General Electric Company, that the proposed allocation of television frequencies might cause interference between certain cities. Examples cited were Chicago, Ill., and Fort Wayne, Ind.; Peoria, and Rockford, Ill., Grand Rapids and Flint, Mich.; and between Oklahoma City, Tulsa, Okla., and Wichita, Kans.

"Wouldn't it be necessary to depart from the RMA standards if you had to accommodate all cities on seven channels?" asked Commissioner Craven. "If everybody wanted high power, this would be impossible, would it not?" "I think it would", Mr. Prescott replied.

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BELIEVE TIME FOR TELEVISION TO WALK ON OWN FEET

Even with the knowledge of its present limitations, Lewis Allen Weiss, Vice-President and General Manager of the Don Lee Broadcasting System, of Los Angeles, a star witness at the television hearing, told the Federal Communications Commission that several national advertisers would pay for television time if only for the reason of being pioneers.

"They would be willing to advertise if we could take the money", Mr. Weiss declared. "We have been nurturing this television child for 10 years. The time is here when the child should be able to walk on its own two feet. I wonder how much longer we will have to coddle it before it makes some adult strides."

Although not a technical man, Mr. Weiss answered all questions with apparent ease and held the attention of the Communications Commissioners almost better than any other witness of the day. He said that not all of the 400 television receivers, estimated to be in use in Los Angeles, were commercial sets. To encourage amateurs to build their own sets, material was supplied by the Don Lee Broadcasting System, which resulted in the formation of a local television society. As a result of this, he believed Los Angeles to be one of the most television-conscious cities in the country. "Much more conscious of television than 400 sets would indicate", he added. The witness told about group "looking in", how they gathered in large numbers out there to watch television broadcasts. During the television of a recent parade, 10,000 watched it at 10-minute intervals and at no time were there less than 300 persons in the waiting line.

Mr. Weiss told the Commissioners that the industry was infinitely further ahead in television than when the Government issued first commercial radio broadcasting licenses.

Asked how much it cost to give Los Angeles this outstanding service, which was started as far back as November, 1931, Mr. Weiss replied that during 1939, the total operating expense of the Los Angeles station ran from $5,000 to $6,000 a month. This covered a program of 1½ hours a night and the same period on three afternoons a week.

"Do you think only 1400 people in New York and Los Angeles (out of a population of 11,500,000) indicates that the public is buying television sets?" asked Commissioner Frederick I Thompson. "It isan't a mass item", the California executive replied.

"Do you see any reason for the limitation of the charge for advertising on television?" Chairman Fly inquired.

Mr. Weiss replied that he did not believe that the advertiser needed to be protected. He said that most of the television broadcasting would be done by radio broadcasters and he did not believe that these responsible people having made a fine record for themselves in that field would suddenly become dishonest when they began to operate a television transmitter.

"Do you believe the present television pictures are all of a quality that people want to see?" Commander Craven asked. There was an affirmative answer. "But they are not as good as the movies?" Commissioner Craven persisted. "I have seen television pictures that I think are better", Mr. Weiss retorted.

Whereupon he told some details about the televising of a basketful of snakes which had been brought into the Los Angeles studio, in which one could clearly see the fangs.

He also told of the remarkable broadcasting of finger-prints. "Finger-prints so good that a Sheriff several miles away identified the man", Mr. Weiss said. "I don't see how you could improve on that."

Mr. Weiss said that he had an RCA standard television set which cost $600 and he felt well satisfied with the results.

In response to a question by Commissioner Paul A. Walker with regard to testimony previously given by Dr. Thomas T. Goldsmith, Jr., representing the Allen B. Dumont Company, Mr. Weiss replied: "I take the Dumont testimony lightly because they have failed to demonstrate their theories."

Maximum power was advocated by Harry R. Luvcke, of the Don Lee System. This should be given to enable television broadcasters to overcome interference, he said. He told of an organization now functioning in Los Angeles which made it a business to track down television interference.

"Do you believe television based on the RMA standards gives good entertainment value?" Attorney Bauer, of the FCC, asked.

"We do", Mr. Luvcke replied.

International Business Machines, represented by Walter Lemmon, did not present any witnesses at this hearing, having stated their objections at a former hearing held in 1938. Andrew Haley testified for Metropolitan Television, Inc.

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BOSTON TELEVISION ALLOCATIONS CRITICIZED

That Boston has suffered in the proposed television allocations was the contention of Hollis S. Baird, engineer, of the General Television Corporation, Boston, at the television hearing of the Federal Communications Commission.

"The Boston Metropolitan District is fifth in size in the United States and is exceeded only by New York, Chicago, Philadelphia and Los Angeles", Mr. Baird testified. "Yet Detroit, Cleveland, Pittsburgh and San Francisco have been allocated a better arrangement of channels. The reasons and facts for these statements is as follows."

Pointing to the fact that in large highly populated areas in which there are tall buildings and large steel structures there is apt to be poor television reception, Mr. Baird, arguing for reclassification for Boston, more antenna height and more power said:

"Boston has at least six buildings greater than 200 feet in heighth and with changes in the zoning laws in recent years it has others planned. Boston proper, except on the north, is almost surrounded by a group of hills over 300 feet, and in one case over 500 feet, in heighth. Taking into account both the buildings and hills, the Boston area should have a television channel which is lower in frequency than Channel 4, which is the lowest that is at present allocated. Chanel 1 is allocated to the Lowell-Lawrence area which area has no buildings of any importance in height. Channel 1 could be allocated to the Boston area with 1 kw. in power and 250 foot antenna height without creating interference to its use in New York. It is allocated to the city of Washington which is only 30 miles further from New York City than Boston is.

"By taking Channel 1 from the Lowell-Lawrence area and replacing it with Channel 7 which is at present allocated to Boston, another difficulty would be relieved and that is the mutual interference between Boston and Providence, R.I. on Channel 7, as removing Channel 7 to Lowell from Boston would place it 30 miles further from Providence, thus allowing better coverage at both areas on that channel.

"Also by allocating both Channel 6 and 7 to the Boston area, another recommendation of the RMA Committee has been disregarded. That is the allocation of two adjacent channels to the same city. Channel 7 with 100 watts in Boston would be at a disadvantage with 1000 watts operating on Channel 6.

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NEUTRALITY PATROL ASKED IN FCC REPORT

"Policing of the ether waves must now take cognizance of the role assigned to radio in national emergency", says the Federal Communications Commission in the foreword to its annual report, released this week. "For", it explains, "the war in Europe is the first major conflict to be fought on the land, on the sea, and in the air to the inclusion of the ether."

The Commission further points out:

> "In the World War there was no broadcast or high-frequency communication problem as we know it today; only wireless. Today the United States has some 800 broadcast stations (not to mention 55,000 amateur stations and more than 5,000 commercial stations), whose air messages filter to more than 40,000,000 receiving sets. And international broadcasts, thanks to the short wave, now cut across time and distance to challenge any claim of isolation."

During the past fiscal year the Commission undertook to define the nature of services to be rendered by international broadcast. Subsequent outbreak of the European war brought about the necessity of the Commission maintaining contact with other Government agencies, as well as with the industry, in dealing with new problems.

In cooperation with the State Department and other Federal agencies, the Commission has effected arrangements with other American republics in working out mutual communications problems. The Commission is charged with carrying out certain provisions of treaties and international agreements to which the United States is a party.

In administering and enforcing laws, regulations, and international treaties pertaining to radio, the Commission effectively utilizes a field staff. The ether waves are, in effect, patrolled by 27 field offices throughout the United States and its possessions, augmented by seven radio monitoring stations. Mobile equipment is useful in tracing unlicensed stations and, at the same time, maintaining a neutrality patrol of the ether.

The report makes no recommendations for new legislation with respect to the Communications Act of 1934, as amended.

Special activities by the Commission covered into the fiscal year included:

> Inquiry into chain broadcasting policies and practices, begun in 1938. Hearings, which ran 73 days, produced nearly 100 witnesses, 700 exhibits, and nearly 9000 pages of testimony. The report, when issued, will be the basis of possible new regulations and recommendations to Congress.

Inquiry into the present status of television. In its initial report the Commission found television had barely emerged from the "technical" research stage and declared that careful coordination is essential to television's progress.

Report on the special investigation of the telephone industry, pursuant to Congress request. Besides achieving an initial annual savings to telephone subscribers of $12,000,000, the report made specific recommendations to Congress looking to stricter regulation of that monopoly.

Completion of a special study of radio requirements for safety of shipping on the Great Lakes and inland waters, also ordered by Congress. Canadian authorities cooperated in working out mutual standards.

During the fiscal period 7,500 applications for various types of radio broadcast stations were received. Of that number, about 1,650 were for new or increased facilities, and nearly 2,300 were renewals. In that time the Commission heard oral argument in more than 100 broadcast matters, and adopted formal decisions in more than 200 such cases. Investigation was made of 265 broadcast stations, and licenses of eight stations were canceled or otherwise vacated.

Public service is the basic consideration in licensing broadcast stations. "Just as it may be a powerful instrumentality for public good", opined the Commission in a recent case, "so a broadcast station has potentialities of causing great public harm, and it is accordingly imperative that the limited broadcast channels belonging to the public should be entrusted to those who have a sense of public responsibility."

The continued growth of the broadcast industry was reflected in the number of new stations and increased facilities. Twenty-nine new broadcast stations were licensed and 76 applications were denied. During the year the Commission increased the license period for standard broadcast stations from six months to one year.

For the 1938 calendar year, 660 standard broadcast stations reported total broadcast revenues of more than $111,000,000, or a new broadcast income of nearly $19,000,000. At the same time these stations employed 23,000 persons with a payroll in excess of $45,000,000.

Notable contributions of the Commission during the fiscal period were the adoption of revised rules and regulations governing all radio services, and simplification of the administrative procedural process. In addition to its normal functions, the Commission's Law Department dealt with litigation of increasing volume and importance.

Interest in the amateur field was attested in nearly 50,000 licenses issued to these operators. In addition, more than 15,000 commercial operator licenses were granted. More than 550 new police radio systems - mostly in the smaller communities - were authorized, and nearly 250 forestry radio systems were approved.

In the fiscal year reported, the Commission received and studied nearly 17,000 communications tariff schedules. About 1,200 point-to-point telephone applications were examined. In the interests of safety at sea, approximately 16,500 ship radio inspections were made.

Under its mandate to "study new uses for radio, provide for experimental use of frequencies, and generally encourage the larger and more effective use of radio in the public interest", the Commission, through its Engineering Department is investigating many communications techniques and refinements, launching the most comprehensive study of sunspot effect on communications yet undertaken, charting ground frequency wave field intensities, and studying television frequency modulation, directional antenna, facsimile reproduction, interference from electromedical devices, automatic devices to receive distress signals on shipboard, and new types of carrier telephone systems.

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NAB FORMS ENGINEERING EXECUTIVE COMMITTEE

Appointment of an Executive Engineering Committee by Neville Miller completes the Engineering Departmenr organization of the National Association of Broadcasters. The Engineering Department now conforms with the other departments of NAB with a Director of Engineering, and Engineering Committee, and the newly formed Executive Engineering Committee.

The appointees were John V. L. Hogan, Chairman, and E. K. Cohan, Paul de Mars, O. B. Hanson, Albert E. Heiser, and J. R. Poppele as members. Lynne C. Smeby, Director of Engineering; and Raymond Wilmotte, who was retained for a period of six months after the new Director took office as an engineering adviser, will also meet with the Committee.

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FINCH DEVELOPS MAP BROADCASTER FOR PLANES

The invention of a radio facsimile machine designed to deliver weather maps and other information to airlines in flight was announced last week by a former American naval officer, W. G. H. Finch, of New York City. It is capable of reproducing sketches, typewritten orders and handwriting at a rate of about 150 words a minute, and also can be used for plane-ground communication in wartime, its inventor said. While radio facsimile reproduction between land stations is no longer a novelty, the device is the first to employ both sending and receiving apparatus in an airplane.

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TRADE NOTES

New Jersey newspapers nearly 100 strong are observing Newspaper Week this week, with a state-wide public relations campaign such as that advocated recently by several leading American publishers. In addition to holding "open house" in the plants of all member papers,of the New Jersey Press Association, the organization is utilizing radio during the week with a daily 15-minute series of informative broadcasts over Station WNEW, New York.

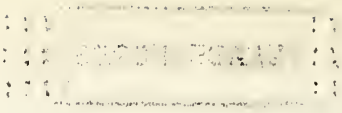
Bing Crosby, Freeman Gosden, Charles Correll, Harold Lloyd and Paul Whiteman have bought into the broadcasting station KMPC, Beverly Hills, Calif., long known as the "station of the stars". G. A. Richards, owner of the transmitter, also is interested in Stations WJR, Detroit, and WGAR, Cleveland.

RCA Victor has scheduled an extensive national advertising campaign for its "Opera Box", a table model radio, which it terms its conception of the ideal small radio, and ten other table units. Large-space ads will break in the near future in thirty-two newspapers, making use of color in Sunday sections as well as rotogravure and black and white. Radio and magazines also will be used. The model, a five-tube AC-DC set with built-in antenna, sells for $19.95.

A.Leroy Hasenbalg, five years National Sales Representative from Pittsburgh for the National Broadcasting Company and one of the veterans of the radio industry, died January 2nd. Mr. Hasenbalg had been ill for several months. He was 36 years old, a graduate of the University of Dubuque, Iowa. Mr. Hasenbalg began his career in radio in 1925 as sales representative for Station WMAQ in his native Chicago. He joined NBC while in Chicago and was transferred to Pittsburgh in September, 1934. Surviving are his wife, Mrs. Frances Hasenbalg; two children, Russell 12, and Patricia, 10, and a sister, Mrs. William S. Hedges, whose husband is Vice President of the NBC.

Sparks-Withington Company and subsidiaries report for six months to Dec. 31, 1939: Net loss, $11,234, compared with $161,239 loss in final half of 1938. No provision was made for possible exchange loss on conversion of assets of wholly owned Canadian subsidiary inasmuch as there is no plan for immediate conversion.

The Federal Communications Commission last week adopted its Final Order granting the application of Tri-State Broadcasting Company, Inc., (KTSM), El Paso, Texas, for construction permit to change frequency from 1310 kc. to 1350 kc., increase power from



100 watts night, 250 watts local sunset, to 500 watts, and from sharing time with WDAH to unlimited, upon condition that applicant surrender for cancellation the license of Station WDAH on or prior to the date on which KTSM undertakes to operate on the new assignment.

Station KMPC, Beverly Hills, Calif., this week began full time operation with power of 5,000 watts daytime and 1,000 nighttime, on a frequency of 710 kilocycles. At such time the station will become available to CBS network advertisers as an alternate or as an additional station to Columbia's regular 50,000 watt Station KNX in Los Angeles.

The Government Printing Office now has for sale at a cost of 15¢ per copy, a Study Guide and Reference Material for Commercial Radio Operator Examinations, including Questions on Basic Law (Element I), Basic Theory and Practice (Element II), Radiotelephone (Element III), Advanced Radiotelephone (Element IV), Radiotelegraph (Element V), Advanced Radiotelegraph (Element VI); General Radio Regulations (Cairo Revision, 1938), and Extracts from the Commission's Rules and Regulations - Practice and Procedure. Printed copies of the Commission's Rules in pamphlet form are also on sale at the Government Printing Office. The different parts run from 5 to 10¢ each.

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F.D.R.'S VOICE ON COMMERCIAL RADIO PROGRAM

The voice of President Roosevelt was heard on a commercially-sponsored radio program over WGN, Chicago Tribune station last week when a recording of a portion of the President's message to Congress was broadcast on the "I Want a Job" program, sponsored by a Chicago clothing store, according to Editor & Publisher. The program was devoted to interviews with unemployed persons who are seeking jobs. President Roosevelt touched on the need of solving the unemployment problem for youth in his message to Congress. The agency handling the radio program for the sponsor sent a telegram to President Roosevelt, requesting permission to rebroadcast, by way of a recording, that portion of his address. The request was granted, but it was stipulated that paragraphs from the address used must be identified as to time and place of delivery and that no commercialization of the President's words be permitted. It is believed the WGN program marked the first time that the President's words have been broadcast in a commercially-sponsored radio program.

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SCOVILLE, STROMBERG-CARLSON V-P, DIES

Word has been received by Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, of the death of George A. Scoville, well-known figure in the radio industry, and Vice-President of the Stromberg-Carlson Manufacturing Company. Mr. Scoville died in Rochester last Sunday. He had been in poor health for more than a year. The immediate cause of his death was a heart attack following a siege of intermittent fever. Mr. Scoville was about 60 years old. He was a Director of the RMA.

The funeral was held at the family home in Rochester, N.Y., today (Tuesday).

Mr. Scoville was born in Ironton, Mo., and spent his early life in California, where he was graduated from Stanford University in 1903.

His entire business life was connected with electrical firms and kindred manufacturing companies. After his first two years at Stanford, he spent three years in the Western Electric Company shops in Chicago, returning to complete his undergraduate studies. Later he was connected with Southern California Edison Company and Dean Electric Company of Elyria, Ohio, which he helped found. He was a Director of the United States Independent Telephone Association and Chairman of the Telephone Manufacturers' section.

He leaves a widow, Mrs. Mary Dyer Scoville; two brothers and three sisters, all of California.

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GEDDES' SON MARRIED TO WASHINGTON GIRL

Miss Grace Lucille Carr, daughter of Mrs. Arthur Carr of this city, and Mr. Gail Gray Geddes, of Montclair, N. J., were married last Friday evening in St. Alban's Church, Washington, where the Rev. Charles T. Warner performed the ceremony. The bridegroom is the son of Mr. Bond P. Geddes, Executive Vice-President of the Radio Manufacturers' Association, and Mrs. Geddes, of Chevy Chase, Md.

The bride attended the National Cathedral School for Girls and was graduated from Meredith College in Raleigh. Mr. Geddes was graduated from Dartmouth and received his Master of Commercial Science Degree from the Amos Tuck School of Administration and Finance. He is a member of Sigma Nu and Phi Beta Kappa fraternities and is an executive assistant of the National Association of Manufacturers.

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MUTUAL'S BOARD OF DIRECTORS ENLARGED

At the annual meeting of the shareholders of the Mutual Broadcasting System, held last week in Chicago, the Board of Directors was enlarged from 7 to 9 members, so as to include representation of the additional stockholders, whose financial participation in Mutual was recently announced by President W. E. Macfarlane. Those elected to the new Board were E. M. Antrim, Willett Brown, H. K. Carpenter, W. E. Macfarlane, Alfred J. McCosker, John Shepard III, Theodore C. Streibert, Lewis Allen Weiss, and Fred Weber.

All the officers were reappointed and Lewis Allen Weiss of the Don Lee network was named Vice-President for the West Coast, a new post.

The officers for the ensuing year are: Alfred J. McCosker, Chairman of the Board; W. E. Macfarlane, President; Theodore C. Streibert, Vice-President; Lewis Allen Weiss, Vice-President; E. M. Antrim, Treasurer and Executive Secretary.

The shareholders ratified the five year plan of operation of Mutual, as outlined two weeks ago by President Macfarlane. An Operating Committee, which will meet at regular intervals with General Manager Fred Weber to pass on operating problems and policies, was named as follows: J. E. Campeau of CKLW, Detroit-Windsor; H. K. Carpenter of WHK-WCLE, Cleveland and WHKC, Columbus; John Shepard III of The Colonial Network of New England; Theodore C. Streibert of WOR, Newark; Hulbert Taft, Jr., of WKRC, Cincinnati; Lewis Allen Weiss of the Don Lee network of California; Ed Wood, Jr. of WGN, Chicago, and one or two representatives to be selected from the affiliated stations.

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A. T. & T. EARNS $9.23 A SHARE IN 1939

The earnings report of the American Telephone and Telegraph Company, parent concern of the Bell System, released this week by Walter S. Gifford, President, shows a net income for 1939, after all expenses and charges and with results for December partly estimated, of $172,446,000. This was equal to $9.23 a share on the company's 18,686,794 shares of capital stock outstanding, and compares with a net of $152,428,028, or $8.16 a capital share, in 1938.

In addition to the parent concern's report, consolidated earnings of A.T. & T. and its principal operating subsidiaries comprising the Bell System were issued and showed that the Bell System had a consolidated net income of $188,905,562 in the twelve months ended on Nov. 30, 1939. This net was equal to $10.11 a share on A. T. & T. outstanding capital stock, and compares with a net of $153,385,512, or $8.21 a capital share, in the twelve months to Nov. 30, 1938.

Gross operating revenues of the Bell System for the year to Nov. 30 aggregated $1,104,077,849, compared with $1,050,298,671 in the preceding comparable 12 months Operating expenses, including maintenance and depreciation, totaled $732,674,153 against $717,472,682 previously, while taxes rose to $155,330,485 from $143,493,533 in the 12 months to Nov. 30, 1938.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
RECEIVED
JAN 20 1940

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No. 1201

FCC GETS LARGEST BUDGET, WANTS MORE

The Federal Communications Commission this week got its largest appropriation from the House in its history, but Chairman James L. Fly warned the Appropriations Committee that this was only the beginning and expressed the opinion that the FCC is not adequately performing its functions.

Cut only $8,660 under the Budget Bureau's recommendations, the FCC appropriation, as carried in the Independent Offices Supply Bill, aggregates $2,116,340. This is $291,340 above this year's appropriation although it does not include the $13,175 allowed for the Great Lakes survey in the current Act.

The 1941 appropriation, while less than the FCC asked of the Budget Bureau, provides for 38 additional employees and additional monitoring equipment.

Included in the personnel increase are 24 additional administrative employees and 14 for the field service. Five additional attorneys are to be hired for the heavily-staffed Legal Department at salaries ranging from $2,000 to $4,600. The Accounting Department will get an Assistant Chief Accountant, a Senior Economist, an Economist, and an Associate Economist.

Representative Wigglesworth (R.), of Massachusetts, in questioning Chairman Fly asked whether the budget, if allowed, would not be the "largest appropriation you ever had for this activity".

"That is correct, sir", replied Mr. Fly. "I think it is all too little. I do not want to appear to be over-assertive about it, but I do think it is all too little for this vast work."

"You think as you go along you cannot see any end in sight?" asked Congressman Wigglesworth.

"I do not want to assure this Committee there is an end in sight", continued Chairman Fly. "You have something by the tail here and I don't think you can let loose. This is a tremendous field, an advancing field. There is a great public interest involved."

Earlier, discussing the need for telephone regulation, Mr. Fly said that the FCC has the duty to regulate the telephone industry but not the funds.

"I am reluctant to take any part of the responsibility for not performing that duty", he said. "You have there a most

complicated set-up - the greatest of all monopolies anywhere. It is a vast, complicated structure. Now, without criticizing it on that account, without condemning it, I do want to suggest that it must be regulated. Any such monopoly must be regulated, and particularly a cast, complicated system of that kind ought to be regulated. . . . .

"As the final one of those impressions, I want to say I think one of the things that has impressed me most deeply is the Commission's inability to carry out the functions, the duties which this Congress has established and laid upon that Commission. And here is where we strike one of the voids. You have mentioned one of them, sir, Mr. Fitzpatrick - that is, duty to regulate the telephone industry - and I hope we can do something about that by way of a special appropriation later. The inability to carry out the functions that the Congress has delegated to us has been obvious in a number of particulars. Before mentioning the more specific items, I want to say in passing I have made a check on the 1939 budget figures, and I understand there was a transfer of funds during 1939 in the total sum of $13,400 from the equipment allotment to the personal-services allotment.

"A special survey was made in the field by the Civil Service Commission, and it was the only survey that was ever made in that situation, and that led to an expenditure, almost necessarily, of $16,000, and that necessitated the one transfer. I believe there are no others.

"Now, as I have taken the liberty of suggesting, I think the real basic thing here, gentlemen, is for more adequate performance of the functions. I would like to see - and I am sure the committee would like to see - this job done in accordance with the intention of the Congress in laying out the functions in the first place. It has already been mentioned that there is a tremendous need in the common-carrier field; that is, particularly in the telephone and telegraph field.

"There is another field that has been drawn to my attention peculiarly, and that is the field of investigation. All the matters presented to the Commission in one way or another affect the public interest. The information on those matters is presented by the parties - in general, it is an ex parte procedure. And even in the cases where we have opposing counsel we have no assurance that all of the factors bearing upon the public interest and all of the factors that really go to the merits of the case, as the Commission has to decide it, in the light of the public interest - we have no assurance that the facts in that regard are brought forward."

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MOST PROGRAM COMPLAINTS TRIVIAL, FCC SAYS

The vast majority of radio program complaints received by the Federal Communications Commission are dismissed as frivolous, unsubstantiated, or not warranting an investigation, the FCC told the House Appropriations Committee during executive hearings on the Independent Offices Supply Bill.

James L. Fly, Chairman of the FCC, placed in the hearing record a classified list of the complaints received without comment.

The table showed:

Sixty-nine complaints of censorship, denial of free speech, and refusal to broadcast particular programs had been received during the past fiscal year, but only two merited an investigation.

The FCC received 625 complaints against the scare that Orson Wells gave the country in his famed CBS "War of Worlds" broadcast and disposed of them all after an inquiry which brought a mild reproof.

Fred Allen is the only other radio personality mentioned in the list. The FCC got 49 complaints against his program but investigated none of them.

It received 21 complaints against children's programs; investigated none.

Out of 93 complaints charging obscene, indecent, or profane broadcasts, 67 were investigated formally.

All complaints regarding medical programs were investigated. Fifty-five were closed after formal investigation; nine were designated for hearing and later closed; and one was still pending at the close of the year.

Complaints of general inferiority and excessive advertising numbered 52, of which 46 were dismissed, four closed after formal investigation, and one was left pending.

The FCC, in addition, received thousands of "fan letters", Chairman Fly reported.

"The complaints in this 'fan mail' category were of such a character as did not require detailed examination or investigation", the FCC stated in a footnote.

"For example, during a 15-day period beginning Jan. 16, 1939, the Commission received, with reference to broadcasts by or refusal to carry broadcasts of the Rev. Charles E. Coughlin, alone", . . . 21,118 letters.

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CONNERY CHARGES LICENSE TRAFFICKING IN HOUSE TALK

Renewing his demand for a Congressional investigation of the radio industry, Representative Connery (D.), of Massachusetts, on Wednesday charged widespread trafficking in radio licenses and inserted tables showing all radio station deals in the past year in the Congressional Record.

"Even a casual reading of the Appropriations Committee hearings pertaining to the Federal Communications Commission should convince every member of the House of the need for an immediate congressional investigation of the entire subject of radio, particularly the apparent inability of the members of this Commission to protect the public and to eliminate or set aside the present radio monopoly", he said.

"Despite the fact that the Treasury Department of its own volition called this matter to the attention of the Federal Communications Commission, even to the extent of furnishing the Federal Communications Commission with a photostatic copy of the sworn statement indicating the apparent bankruptcy of the applicant for a radio license, this application for a license was granted by the Commission.

"I note that even the new Chairman of the Commission admits that he has reason to suspect that in many instances these radio licenses are issued to or are actually in the hands of or under the control of persons or corporations other than those to whom the license was issued.

"This Commission has under way a report on monopoly in radio. This Commission has been making such a study for the Lord only knows how long a time. Last June the Congress was told that such report would be available in a short time, perhaps 60 days. Last month, the Appropriations Committee was told it would be ready the middle of January. To my mind, we will have such a report when the Congress decides to institute its own investigation and not much sooner.

"These radio licenses are governmental property, temporarily loaned for a period of not more than 1 year to an applicant who presumably and under the law must serve public interest. I challenge anyone in the radio industry to allege that other than for the purpose of obtaining the license much consideration is given to public interest.

"These licensees pay no tax to the Government despite the fact that the possessors of such licenses yearly reap millions of dollars in profits.

"One part of this radio monopoly, the Columbia Broadcasting System, with an investment of less than $1,600,000, as we are told by the Security Exchange Commission, yearly pays dividends to its stockholders of some 150 percent on the original

investment; and yet, despite these extortionate profits, these licensees, as I said before, pay no tax to the Government for the use of this highly profitable Government franchise.

"On the basis of these earnings, I fear that unwary investors have been influenced to purchase stock in these radio monopolies which monopolies depend for their profits entirely on the continuance of these governmental grants. Once any of these monopolists are deprived of the governmental license, they hold the investment in such concerns will be worth almost nothing.

"You will be interested to know that this property for which the Columbia Broadcasting System has invested some $1,600,000 is selling on the New York Stock Exchange on the basis of some $50,000,000 and paying dividends of more than $2,000,000 yearly. Also, it is my understanding that on an investment of some $3,000,000 in National Broadcasting Co., the Radio Corporation of America, the parent company, which I will discuss further and in more detail at a later date, earns a profit of some $10,000,000 yearly.

"Yet this Commission admits it has done nothing to protect the innocent investor from being virtually defrauded of his savings by the false picture which is painted to those who do not realize that radio monopoly possesses but little other than a governmental grant.

"To my mind there is not a member of this body who will condone anyone trafficking in governmental franchises. Yet this committee's report not only proves that such trafficking in radio licenses exists but that such a practice has the approval of the members of the Federal Communications Commission."

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NAB CODE RAPPED IN HOUSE HEARING ON FCC BILL

The NAB Code provision barring the sale of radio time for controversial broadcasts came in for some critical discussion during the House sub-committee hearings on the FCC Appropriations Bill, it was disclosed this week.

James L. Fly, Chairman of the FCC, sought to defend the Code in a round table discussion with Representatives Woodrum (D.), of Virginia, Dirksen (R.), of Illinois, and Wigglesworth (R.), of Massachusetts.

Congressman Dirksen asked Mr. Fly whether he or any member of the FCC had a hand in drafting the Code and appeared surprised when told that they had not.

Asked for his opinion as to the reaction of the Code, Chairman Fly said:

"I believe right now that a majority of the broadcasters and a majority of the public generally accept the rule as being a wholesome one."

After Mr. Fly had attempted to explain the Code provision, Representative Woodrum commented:

"You would be giving the public a pretty good sock in the eye if you gave free time to anybody who wanted to get it and give an argument.

"It looks to me like a matter of very great public importance if somebody can afford to pay the rather reasonable fees which would be charged by radio stations for 30 minutes' time. I can think of nothing of great widespread public importance that one side of the issue would be able to pay for an hour's time and the other side would not be able to be heard."

Later he commented that "a lot of sins are committed under the guise of freedom of speech".

Representative Dirksen asked Chairman Fly whether he or any member of the FCC had given any sanction to the NAB Code. Mr. Fly stated that he had made a speech generally endorsing it, but added that he was not speaking for the Commission.

"Of course, any public utterance you make on the field of radio, Mr. Fly, you will have great difficulty in divorcing yourself from the public mind from your official capacity", said Congressman Dirksen.

Chairman Fly was asked whether the FCC had exercised any form of censorship during the year. He placed a formal statement in the record stating that it had not.

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CBS OFFERS THREE-POINT PLAN FOR TELEVISION

The Columbia Broadcasting System, through Paul W. Kesten, Vice-President, suggested three plans for developing television to the Federal Communications Commission this week. Any one of the three, the CBS contended, would assure a sound development of television and tend toward precluding a public trial at public expense.

Mr. Kesten also predicted that television set sales might be boosted by from 10,000 to 15,000 in New York City within a year and from 30,000 to 45,000 in two years through proper development. The price of a receiver, he added, might be brought down thereby to $150.

The keynote of all three CBS plans is to protect the public against purchase of television sets with no guaranty against obsoleteness within a day, a week, or a year, and thereby, coincidentally, protect broadcasters from the ill-will which such useless expenditure would create among purchasers, Mr. Kesten said.

Under the first plan, present transmission standards would be "frozen" for a period of years as was done in England to stimulate the sale of television sets by assuring long service.

Under the second plan, as detailed by Mr. Kesten, new program schedules would be delayed until such time as the Commission was satisfied that sets could be modified by minor and inexpensive changes to meet future technical improvements in broadcasting.

The third plan provides that broadcasters proceed with scheduled programs at once but open or close each program with a notice to the public that present standards are so impermanent that technical changes might at any moment preclude the further use of existing television receivers.

Mr. Kesten summed up the three proposals as follows:

"1. Fix present transmission standards on the seven lower bands immediately and definitely - "freeze" them against change - for a stated and adequate number of years. Simultaneously allow television broadcasters to proceed with scheduled programs as contemplated under Rule 4.73(k) (The Commission Rules).

"2. Delay both the freezing of standards and the launching of new program schedules, not until ultimate standards can be set, but long enough to determine if such flexible standards can be set that any predictable change within those standards will not make wholly or largely obsolete receiving sets designed to anticipate such changes.

"3. Proceed immediately with scheduled programs as proposed without freezing present standards and without setting flexible standards which insure receiving sets against change, but let the broadcasters tell the public, actively and frequently, that this is so - that sets have no assurance of continued use - and let this go on until standards can be guaranteed for a definite period of years."

Mr. Kesten emphasized that CBS had no preference among the three plans submitted for the Commission's consideration. He also suggested that the "small sample" method of measuring public opinion be used by the Commission and the television industry. Mr. Kesten, a keen student of selective sampling and polls, recommended that 1,000 television sets be installed, on loan, in representative homes in the New York area. He urged this because he felt that the reactions of the well-to-do would be very misleading, "just as a survey of the political likes and dislikes of the wealthy few would not be representative of the electorate".

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ZENITH, PHILCO AGAINST "FREEZING" TELEVISION

Opposition to the adoption of the RMA standards for television in a manner that would "freeze" the industry and discourage further experiments was voiced at the television hearing of the Federal Communications Commission held this week, by spokesmen for the Zenith Radio Corporation, of Chicago, the Philco Radio and Television Corporation, of Philadelphia, and others.

John R. Howland, Assistant to Eugene F. McDonald, Jr., President of Zenith, told the FCC that his organization approves of all the proposed rules for television except the adoption of fixed standards. He expressed the belief that the standards "should be labelled experimental pro tem and let got at present".

"The very fact that television receivers have not sold in greater quantities may in some way be as much related to the character of television receivers that are now being built in accordance with these standards as it is to possible faulty programming", he added.

Mr. Howland said the RMA standards "had been put together in a great hurry" and that he questioned "whether we cannot stop and take stock and discover whether we cannot approve better standards when the pressure is off".

David B. Smith, representing Philco, admitted that his company had been wrong and the FCC right a year ago when it joined in the demand for adopting the RMA standards for television.

He also urged that the industry be allowed time, probably six months, to "bring the standards up to date". Philco needs at least two months, he said, to complete present experiments.

Prices on television receivers are "entirely out of line", Mr. Smith said, and he said that Philco is experimenting with methods of manufacturing sets much cheaper than the current market.

Mr. Howland was questioned regarding the holdings in television patents by the Commissioners. He said that a "rough" estimate of the distribution was that RCA held 45 per cent, Farnsworth 25 percent, and Hazeltine, Philco, and three or four others smaller proportions.

RCA has licensed its television patents, he said, "on a perfectly fair basis".

John V. L. Hogan, noted radio engineer, appearing for Radio Pictures, Inc., expressed the opinion that "the whole of television is a series of headaches".

"It's going to be a case of finding out", he said with regard to television development, "and I don't know how we can do

it except by trials, which are the least harmful ones, which will encourage it most, which will do the best ultimate job."

Mr. Hogan said it is too early to fix hard and fast rules for television. Setting up a 5-point plan of objection, he said the FCC (1) should adopt no fixed standards, (2) should not classify stations in two groups as proposed, (3) should allow stations to charge for transmission costs, (4) should not limit channels, and (5) should encourage program stations, use of high frequencies, and more transmission power.

"Let the industry work out its own problems", he said, "and let the public buy what it likes."

Robert Robins, of the Cath-Ray Electronic Laboratories, Inc., said his company is about ready to market a television receiver to sell for approximately $100.

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NAB OFFICIAL CITES SALES POWER OF BROADCASTING

Radio can sell anything, Edward M. Kirby, Director of Public Relations of the National Association of Broadcasters, told the National Association of Cleaners and Dyers in Baltimore this week.

Rephrasing the question, "can radio sell", Mr. Kirby said it might be better stated, "is there anything which radio cannot sell?"

"Despite an adverse press, remember, a man used radio to sell himself to the country as president, two terms in a row", he said. "Remember, that year in and year out radio has sold tooth-paste as well as automobiles; cigarettes and breakfast food, cosmetics and life insurance, perfumes and silverware, soup and gasoline, savings banks and coffee, tea and soap. It has sold laundry service and it has sold home washing machines, too. It has sold luxury items just as quickly as it has sold everyday staples. And, more importantly, it has sold more of these products and services each year above the preceding year's volume. Reflecting these results, radio, for the past six years, is the only medium of advertising which has enjoyed an uninterrupted increase in the volume of advertising placed by both local and national advertisers during tough depression years when results were the only things that counted.

"For example in 1934, radio enjoyed an estimated gross volume of advertising business of but $72,887,169. But in 1935, the volume jumped up fifteen million dollars; in the next, it rose to over the $100,000,000 mark; in 1937, it went to the $144,000,000 level; and in 1938 it soared above the $150,000,000 stripe, and last year in 1939 it reached the new record of about $165,000,000. An increase in the use of radio of over 126% in just six years.

"No other media of advertising for both national and local purposes can match the record of radio. In the same period of time, magazine advertising, showed a growth of 29.32% and newspaper advertising showed 11.96% increase."

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TRADE NOTES

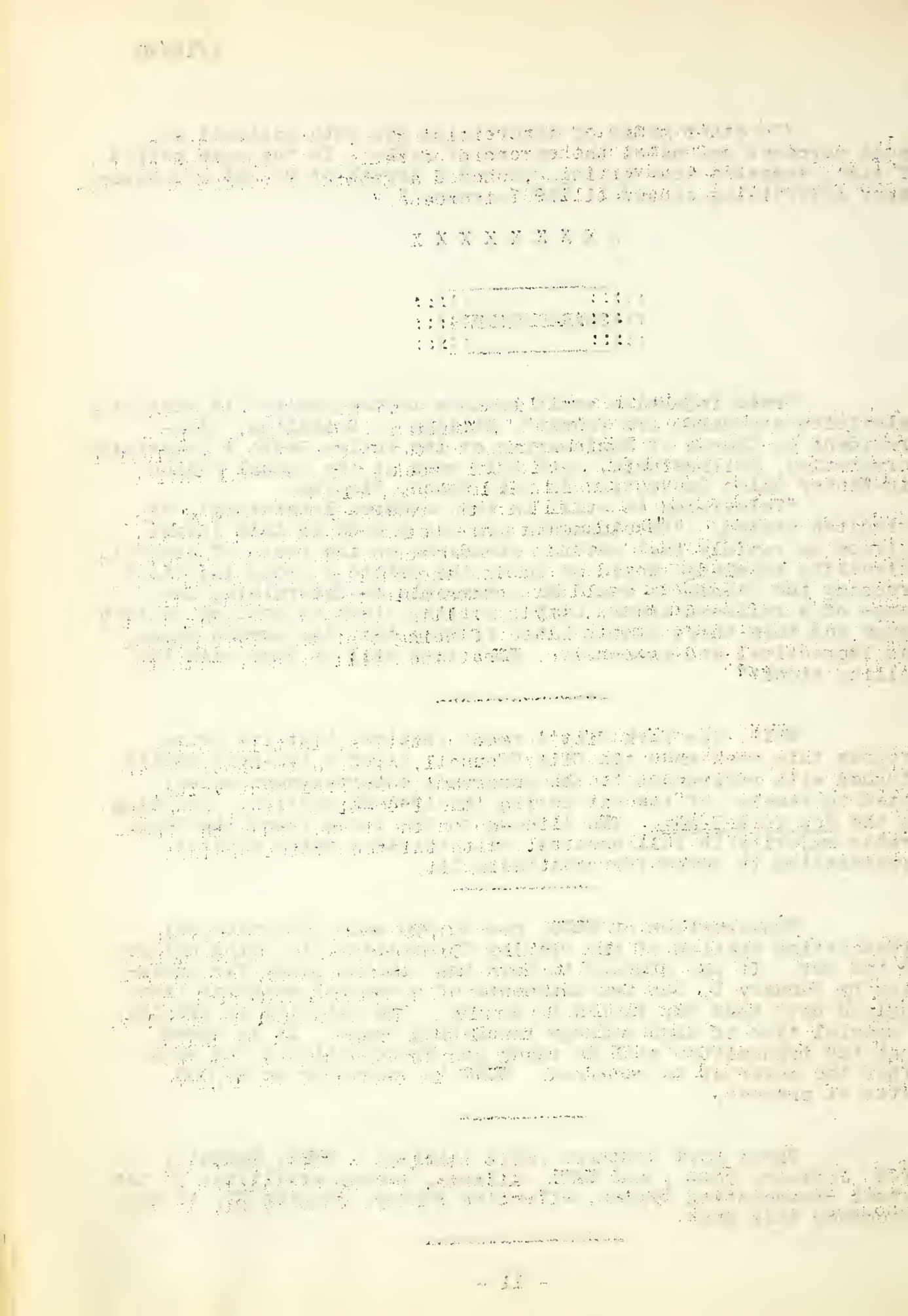
Gross injustice would be done to the public "if present television standards are frozen", William H. Grimditch, Vice-President in Charge of Engineering of the Philco Radio & Television Corporation, Philadelphia, said this week at the annual Philco Mid-Winter Sales Convention in Palm Beach, Florida.

"Television is still in the research laboratory", Mr. Grimditch stated. "Developments are being made in this infant science so rapidly that setting standards on the basis of present scientific knowledge would be doing the public a gross injustice. Freezing the standards would be comparable to determining the gauge of a railroad track, buying rolling stock to conform to that gauge and then three months later finding that the agreed gauge was impractical and expensive. What then will be done with the rolling stock?"

WNYC, New York City's radio station, lost its prize program this week when the City Council, after a two-hour debate studded with references to the program's entertainment value, voted to remain off the air during the 1940-41 session, according to the New York Times. The line-up on the issue found the Democratic majority in full control, with thirteen votes against broadcasting to seven for continuing it.

Construction of WLWO new 50,000 watt international broadcasting station of the Crosley Corporation, is being delayed by the war. It was planned to have the station ready for operation by January 1, but two shipments of a special material from England have thus far failed to arrive. The material is mycalex, a special type of high voltage insulating board. It is hoped that the transmitter will be ready for broadcasting a few weeks after the material is received. WLWO is operating on 10,000 watts at present.

Three more Southern radio stations - WMPS, Memphis, WTJS, Jackson, Tenn., and WATL Atlanta, become affiliates of the Mutual Broadcasting System, effective Sunday, January 21, it was announced this week.



The RCA "Signalyst", a low-priced signal generator designed for increased efficiency in radio and television receiver alignment work, has been announced by L. W. Teegarden, RCA Tubes and Equipment Sales Manager. The new service instrument is an important companion to the Rider Chanalyst and the Rider VoltOhmst recently acquired by RCA.

William A. Schudt, Jr., has been appointed General Manager of a newly formed Transcription and Commercial Record Division of Columbia Recording Corporation. His first duties will be to supervise the installation of recording studios at 799 Seventh Avenue, New York City and in the Wrigley Building, Chicago. When these are completed he will be in charge of production and sale of all types of transcriptions and commercial recordings.

Miss Catherine McNelis, who edited "Tower Radio" among other Tower magazines distributed by Woolworth's was sentenced to a year and a day in prison this week in New York after conviction of mail fraud in connection with the management of the periodicals.

A gift of radio transmitting equipment, including a 1,000-watt transmitter, has been made by the Columbia Broadcasting System to Ohio State University for use at its Radio Institute, Engineering School, and experimental station, WOSU. The equipment cost more than $25,000. In addition to the transmitter, the equipment includes phasing unit and antenna coupling, designed and built by the Washington Institute of Technology, two motor generator sets, three spare armatures, and various other pieces of apparatus. The transmitter was built by Western Electric Company.

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McCOSKER LENDS JOHNSTONE TO FINNISH DRIVE

Alfred J. McCosker, President of WOR, announced this week that at the request of Herbert Hoover, National Chairman of the Finnish Relief Fund, the part time services of G. W. Johnstone, the Company's Director of Public Relations and Special Features, were being loaned to the Fund - a volunteer organization - for the present campaign.

Mr. Johnstone, a pioneer with sixteen years in radio broadcasting, will direct the Fund's radio activities from offices of the national headquarters in the Graybar Building, New York City. For the past week he has been aiding the National Committee in scheduling programs for broadcasting over the three major networks and local stations throughout the country.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT RECEIVED JAN 24 1940

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No. 1202

BULLETIN

The television hearings were concluded at 6:30 P.M. tonight (Tuesday) with Chairman James L. Fly announcing that a suggestion had been made that a Committee of Manufacturers be formed to recommend to the Federal Communications Commission any changes in standards which would seem desirable as a result of the testimony at the hearings. The companies mentioned were RCA, General Electric, Zenith, Dumont, Stromberg-Carlson, Philco and Farnsworth.

Maj. Edwin H. Armstrong, one of the last witnesses, urged the Commission to make no television allocations until after the frequency modulation hearings February 28. "Frequency modulation is ready", Major Armstrong declared, "television is not. If television is going to amount to anything, it will have to use the upper channels."

January 23, 1940

RCA DEFENDS PROPOSED FCC RULES ON TELEVISION

Presenting the first full defense of the proposed television rules of the Federal Communications Commission, the Radio Corporation of America urged that they be put into effect immediately and answered some of the criticisms voiced by other radio manufacturers.

RCA pointed out that its testimony was based on twelve years of development at a cost of $10,000,000, eight months of regular television service in New York, and a test campaign for the sale of television receivers in that territory.

Witnesses under the direction of Frank W. Wozencraft, RCA counsel, described the work done by the various branches of the RCA research organization.

They testified that a regular service of television programs has been on the air in New York City since April 30, 1939, and that not less than 2,000 set owners, representing a daily audience of at least 10,000 persons, are enjoying these programs, and the number is rapidly growing.

The Commission was told that important improvements in studio and transmitting technique have been achieved since television became a public service, and all owners of television receivers have been benefitted by these. None of these improvements, however, called for changes in existing basic standards of transmission. According to the RCA witnesses, continued improvements are to be expected, but the standards recommended by the radio industry are sufficiently flexible to accommodate them, without rendering obsolete the television receivers now in the hands of the public.

Alfred H. Morton, Vice President of the NBC in Charge of Television, advised the Commission that the NBC records indicated there were 2,000 home television sets currently receiving the regular program service from the NBC television transmitter on top of the Empire State Building in New York City, with a total audience of 10,000 persons.

Mr. Morton reported that this television audience is asked each week its opinions of the program schedule.

"Forty percent of those to whom the weekly program schedules are mailed each Thursday", said Mr. Morton, "return replies grading each program as Poor, Fair, Good or Excellent. After eight months of regular programs from 10 to 12 hours a week, the average rating given the programs by the audience, is between

'Good' and 'Excellent'. The technical quality of the reception is also reported by the audience to be 'Good'."

"The present program schedule includes a weekly presentation of a television version of fine plays with distinguished actors and actresses, many of them repeating the parts they played in the original Broadway production. A program of educational and instructional interest to the audience is included in the weekly program schedule. Vaudeville programs including acts famous in vaudeville houses and music halls are also a weekly feature, as well as boxing and wrestling bouts picked up directly from the ringside. News events are transmitted to the audience by means of mobile equipment.

"The interest of the television audience is exceedingly high. One hundred percent of the audience used their sets at least two hours a week, thirty-seven percent between five and six hours and twenty-one percent viewed the entire week's schedule.

"Sixty-seven outstanding firms, representing sixteen major industries have presented 148 different experimental programs, thus demonstrating the efficiency of the new service as an advertising medium.

"I am therefore convinced that the adoption of the proposed rules, particularly those permitting limited commercial use of television as an advertising medium, will lead to an immediate improvement in program service."

"Twenty-five thousand television receivers may be purchased by the American public within the next twelve months, provided the FCC gives the amber light to television", testified Thomas F. Joyce, Vice President of RCA Manufacturing Co., in charge of television sales.

Mr. Joyce revealed that after eight months of merchandising experience, his Company has facts that indicate that television is "all set to go" if limited commercialization of television broadcasting is authorized by the Commission. This commercialization, he said, would result in improved television program service and would encourage more broadcasters to go into the television broadcasting business.

He said a test sales program has been carried on in Newburgh, Poughkeepsie and Middletown, New York. Prices of television receivers were substantially reduced in these tests. The largest receiver, he said, was priced at $395 compared to the $600 price in effect in the New York metropolitan market. Corresponding price reductions were made on other models.

"The sales results of these tests", said Mr. Joyce, "would indicate an immediate sale of 500 television receivers per week in the New York market if the reduced price scale were put into effect there. Add to New York the buying power of Albany, Schenectady, Philadelphia, Chicago and Los Angeles, where television service is now available, and it is conceivable that sales

would reach 1,000 sets per week by the Fall of 1940."

He predicted the same phenomenal growth for television that occurred in the radio industry in the 1920's, and eventually new employment opportunities for thousands of the people.

Asked if the Newburgh test prices would be put into effect in other markets, Mr. Joyce said:

"That depends on events that develop within the next few weeks. Our Company is prepared to give the public what it has been asking for at a price it can afford to pay. A practical fool-proof television service is no longer around the corner. It is here."

When Mr. Joyce testified, he was asked how many television receiving sets were in use by the public.

"Of those manufactured by our company (RCA) I would say approximately 750."

"How many have you sold?" Chairman Fly inquired.

"We have sold 1500 to our wholesalers in both New York and Los Angeles."

"How many of the 750 have you sold?"

"I would say about 650. I think we have about a hundred sets out on loan.

Mr. Joyce said there were two television sets in Hyde Park, one in the President's home, and added: "We tried to sell a set to Father Divine's crowd but couldn't get into the temple."

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AVERAGE PAY IN STATIONS DROPS, FCC SAYS

The Federal Communications Commission reports that the average pay of all full-time employees, executives excluded, in broadcasting stations for the week of December 11, 1938, was $35.84. Executives received an average of $78.51. The average for the entire full-time personnel was $21.17, compared with $45.12 for the week of March 6, 1938.

For the week of December 11, 1938, the average pay for operating technicians (research excluded) was $39.07; for production men, $38.17; for writers, $32.39; for announcers, $32.19; for staff musicians, $45.07; and for outside salesmen, $48.41.

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FCC PREPARING FOR BROADCAST REALLOCATIONS

The Federal Communications Commission is considering the tentative reallocation of broadcast bands in the United States to conform to the provisions of the North American Regional Broadcast Agreement, now ratified by Canada, Cuba, Haiti and Mexico as well as by this country.

The treaty provides one year in which to make the prescribed changes in station assignments. By agreement, this time may be reduced. However, it does not appear possible to effect such changes within the three-month period suggested by the Mexican Association of Broadcasters, the FCC stated. The exact time when allocations will become effective will be determined by the Commission survey now under way, and to meet the convenience of all the North American countries involved so far as may be possible.

Until such time as the work is completed, the Commission cannot undertake to consider applications of changes in individual cases under the reallocation, it was said. The Commission will give due notice to all licensees when the general plan is determined.

The treaty, in substance, provides for allocation of the broadcast facilities from 550 to 1600 kilocycles between the North American countries involved. Some 730 stations in this country, particularly including those above 720 kilocycles, may be affected. The main objective is to set up a sound technical plan whereby mutual interference will be materially reduced, thus improving the service to listeners of the contracting nations.

At the present time no channels are made available specifically for Mexican and Cuban stations. The operation of high-powered stations in those countries has been a source of serious interference to stations in the United States.

While the treaty definitely specifies the assignments to be used in many States, the new assignments are not determined definitely nor are any individual stations mentioned. Also, since the treaty was originally signed in 1937, there have been additional stations licensed in all countries, as well as other changes in facilities. The treaty provides a flexibility with respect to some 32 channels on which the majority of the high-powered and medium-powered stations in the United States operate.

It is not possible, the FCC explained, to determine definitely any individual assignments on these channels until the entire plan is worked out with respect to stations in the United States as well as the other countries. A shift in any one assignment may affect materially the entire plan. Accordingly all assignments must be worked out in relation to the entire pattern and can be announced only concurrently.

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TELEVISION IMPROVEMENTS WILL NOT MAKE RECEIVERS OBSOLETE

Asked by Frank W. Wozencraft, counsel for RCA, for his opinion of the quality of television now being offered to the public, E. W. Engstrom, Research Director of the Victor Division of RCA Laboratories, testifying before the Federal Communications Commission, replied:

"I would say that today's television is moderately good and I expect it to get better."

"Can these improvements be made without making receivers obsolete?" Mr. Wozencraft asked.

"Yes", Mr. Engstrom answered, "I am sure they can."

It was the opinion of the witness that the pictures will be improved in brightness. He told of pictures for use in theatres 4½ by 6 feet and said the next step would be to produce a picture 9 by 12 feet. Asked if the home owners had had any difficulty with sets built with the RMA standards, the adoption of which the FCC is now considering, Mr. Engstrom said they had not. He said these standards, in his opinion, were the best which had been arrived at as yet.

Mr. Engstrom declared that adoption of the new television rules by the Commission will promote speedy television development and result in improved television service to the public. Recognition of existing television standards will remove uncertainties in the minds of manufacturerers and the public, Mr. Engstrom said, and the partial commercialization of television will provide revenue needed for further research and progress in the art.

"This research", he said, "is needed to realize the full possibilities of the seven television wave bands already allocated by the FCC to broadcasters. No changes in existing standards employed by the industry are necessary to achieve these improvements. Research now under way in the RCA Laboratories indicates that brighter and larger pictures may be obtained with better definition, sharper contrast, and improved gradations in shading. At the pick-up end, television tubes of greater sensitivity are being developed requiring less light on the subject televised, hence making possible pick-ups at many locations not now feasible for television.

"We are at work on still further research to make available for television the frequencies above 150,000 kilocycles, so that the number of stations in a single locality can be greatly increased without interference. The utilization of still higher frequencies will make possible a quality of television far surpassing anything yet dreamed of, and permit pictures in full color and with three-dimensional perspective."

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FCC TO SEE WHAT TELEVISION PUBLIC GETTING

Following the television hearings which have been going on in Washington, the members of the Federal Communications Commission will go on a four-day trip about February 1st to visit television laboratories in the East. This trip, however, will be different than the one some of the Commissioners made sometime ago. They were then accompanied by engineers and investigating the technical side of television. The forthcoming trip will be non-technical and the Commissioners will concern themselves primarily with seeing just what the public is now getting in the way of television - the regular daily offerings.

Plans for the trip have not yet been completed but it is expected that the Commission will visit the RCA laboratories at Riverhead. If so, they will be shown the set-up there for the broadcasting of the inaugural ceremonies in Washington next year. Here experiments are now being made of relaying television signals by ultra high frequency for use instead of coaxial cable in the inaugural broadcast.

One of the Commissioners at the hearing asked if this broadcast would be over a number of stations throughout the country. E. W. Engstrom, RCA-Victor engineer, said he didn't know. Whereupon Chairman James L. Fly commented, "There are still a good many uncertainties in the forthcoming inaugural."

Thomas F. Joyce, Vice-President, RCA Manufacturing Company, said, when testifying the day before, that in the Fall of this year it was his belief that more people will see by television the presidential candidates of the U.S. than heard the presidential election in 1920.

"Right now our engineers and the NBC engineers are working on the problem of transmitting and televising the inauguration of the President in January, 1941, so that the people in New York City, Pawling, Monticello and Philadelphia and the other areas where we have sold television sets will not only be able to hear this significant event, but also to see it", Mr. Joyce said.

Due to the fact that only a few days will be allowed by the FCC members for the inspection trip, it is not expected that they will be able to get beyond the General Electric Company plant at Schenectady.

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What is claimed to be the first short-wave automobile radio, capable of receiving Europe direct and widening the horizon in domestic short wave reception for motorists traveling in spots not reached by the usual medium wave broadcasting stations, was announced at Palm Beach last week at the annual mid-winter convention of the Philco Radio & Television Corporation.

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INTER-AMERICAN PARLEY OPENS AT SANTIAGO

The second inter-American radio conference with a delegation from the United States started work this week at Santiago, Chile, after the third South American radio conference closed following five days' work by delegations from ten countries.

The conference approved resolutions for modernization of broadcasting to serve the interests of closer friendship, culture and understanding; for the adoption of uniform practices, for the protection of rights of authors in broadcasts, for the establishment of short-wave news transmission and for the adoption of uniform frequencies for air services.

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PALEY HEADS LIST OF SALARIES IN RADIO INDUSTRY

William S. Paley, President of the Columbia Broadcasting System, was the highest paid corporation executive in the radio industry in 1938, the Treasury Department disclosed this week. His compensation was $171,849.

Next in line was David Sarnoff, President of the Radio Corporation of America, at $100,220. Edward Klauber, Vice President of CBS, was listed at $78,304.

In the communications field, W S. Gifford, President of the American Telephone & Telegraph Co., was listed at $209,350. Owen D. Young, of General Electric, was paid $245,447, and Gerard Swope, the same amount.

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ALFALFA DINERS INCLUDE RADIO LEADERS

Some of the top-flight radio people were among the guests at the Alfalfa Club Dinner in Washington last Saturday night, having as its guest of honor this year President Roosevelt. Gene Buck, President of the American Society of Composers, as usual was in charge of the show. Those from the industry present were:

Thad H. Brown, FCC Commissioner; Harry C. Butcher, Vice-President, CBS, Washington; Commissioner Norman S. Case, FCC; Ewin L. Davis, Chairman, FTC; Donald Flamm, President, WMCA, New York; Chairman, James L. Fly, FCC; Maj. Gen. James G. Harbord, Chairman of the Board, RCA; Philip J. Hennessey, President, FCC Bar Association; Thomas P. Littlepage, past President of Alfalfa Club, James H. Littlepage, John M. Littlepage, radio counselors; Edgar Morris, Zenith distributor, Washington; Frank C. Page, Vice-President, I.T.&T.; Duke M. Patrick, radio counselor; G. B Porter, Ass't General Counsel, FCC; John B. Reynolds, FCC; Kurt G. Sell, representative of German Broadcasting Co.; Paul D.P. Spearman, radio counselor; Eugene O. Sykes, former FCC Commissioner; Senator Wallace H. White, Jr.; Frank W. Wozencraft, RCA counsel.

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BRITISH PONDER TELEVISION VIA TELEPHONE WIRES

With television broadcasting "blacked out" for the duration of the war in Great Britain, the British are considering a suggestion of resuming television transmission by using telephone lines, according to "The Wireless & Electrical Trader", of London.

Reporting on the proposal in a recent issue, the periodical said:

"The wish for a resumption of some kind of television service being father to the thought that such a possibility exists may lead some dealers to become over-optimistic regarding a suggestion made last week-end that television over the ordinary Post Office television circuits is within the bounds of practical politics.

"Although it knows that the scheme is possible technically (it was, indeed, mooted by Post Office engineers a long time ago), The Trader feels that if all the existing economic and material difficulties are given careful consideration most people will come to the conclusion that the matter is not likely to come to anything yet awhile.

"The suggestion was made in the last issue of the Sunday Dispatch, which carried a story entitled 'Viewing by 'Phone Plan: Television - 5s. a Week.' It was stated that a 'plug-in-and view' television plan 'which will be available for homes and cinemas' has been completed by leaders of Britain's television and cinema industries. 'Home service will be "on tap" for those who have 'phones at an all-in cost of 5s. a week', the story continued.

"After these definite statements, the Sunday Dispatch went on to reveal that such plans 'will be' presented by experts to the Postmaster-General and Lord Cadman 'early in the new year'.

"If the consent of the PMG is quickly obtained the plan can be in operation by spring', went on the story. 'Not a penny of the taxpayers' money is necessary. It will provide an additional source of revenue for Sir John Simon.'

"But those who know anything at all about the cost of television production will, in The Trader's opinion, be skeptical whether 5s. a week for an 'all-in-service' would anything like cover the cost.

"The man behind the scheme, said the Sunday Dispatch, is S. Sagall, managing director of Scophony, who is said to have the support of Oscar Deutsch, chief of the 300 Odeon cinemas.

"The scheme being discussed would enable the television program to be superimposed on existing telephone circuits without interfering with ordinary AF speech. It is said that the main

purpose of the plan would be to enable Britain to maintain her lead in television technique.

"The Trader learns that the Radio Manufacturers' Association has no knowledge of the scheme at all."

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MUSICIANS DECIDE TO FOREGO STRIKE ON NETS

A threatened strike of radio musicians was delayed, temporarily at least, this week. The Executive Board of the American Federation of Musicians so decided at Miami, Fla., despite the failure of NBC and CBS representatives to renew the contract governing conditions of employment, signed in December, 1937, and expiring on January 17th.

The Board decided to forego any strike pending developments in line with suggestions made by Mark Woods, Vice-President of CBS.

The networks, as far as the key stations and managed and operated stations are concerned, have agreed to maintain the same level of employment as exists at the present time. However, the affiliated stations are to be free to do as they see fit, according to their best interests, dealing with the union individually.

The expiring contract, which is not being renewed, is a "national overall" one, covering affiliates as well as key and managed and operated stations.

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Five more States - Virginia, Missouri, Florida, North Carolina and Connecticut - have announced official adoption of Columbia's American School of the Air as a regular part of their educational curriculum. These additions bring to eleven the number of States which officially use air school programs in their schools. The others are Texas, first to adopt the broadcasts last August, Illinois, West Virginia, Oklahoma, New Mexico and Utah.

Sterling Fisher, CBS Director of Education, also reports that New Orleans has been added to the numerous cities which regularly use the broadcasts for classroom work.

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BRITISH RADIO TRADE OFF AT HOME; EXPORTS PROMISING

The following article, taken from "Trade and Engineering", London publication, was released this week by the U. S. Department of Commerce:

"Conditions in the radio industry have become difficult in some respects as a result of the war, but manufacturers are not dismayed. It was not to be expected that the exceptional demand of the early days of September would continue, and, in fact, it has fallen below the normal standard of the pre-war period, particularly for higher-priced receiving sets. It is probable that most of the future demand will be for cheap sets on which manufacturers are now concentrating.

"These remarks refer to trade as a whole. If one turns to exports a much happier situation is found. War-time conditions have substantially improved British prospects in the Empire, owing to the preference of the Dominions for dealing with countries on a sterling basis: some of them, indeed, have imposed an import licensing system on foreign goods. The extent of demand from all parts of the Empire for British radio apparatus is several times greater than formerly in India, Malaya, South Africa, Trinidad, the Bermudas, and other places. South America, too, which at one time bought many German sets, has turned to this country.

"New Zealand is still restricting British goods severely but the outlook for them there is not thought to be as hopeless as it recently seemed to be. The important sales of the Dominion's produce to the British Government are expected to increase its funds in London substantially, and thus may enable the import restrictions to be slightly relaxed. The Board of Trade has been asked by the Radio Manufacturers' Association to take this point up with the New Zealand Government.

"The industry has had to contend with certain difficulties concerned with raw materials, particularly timber, used in cabinets, and aluminum, of which condenser vanes and screening cans for valves are often made. The Government, of course, needs large quantities of these materials for war purposes, and there is reluctance to release the necessary supplies for radio factories. Radio manufacturers, therefore, are looking for substitutes. Plastic materials may be employed instead of timber, while for screening cans one firm has experimented with cardboard sprayed with zinc.

"A shortage of skilled engineers has also caused inconvenience, and there has been an effort in some quarters to have the age-limit for reservation of service engineers lowered; it is doubtful, however, whether the authorities will take any action.

"On the whole, manufacturers look hopefully to the future. A number of them are now devoting part of their factories to munitions, for the increase in the export trade has not counter-balanced the falling off in other departments, and it was necessary to seek new forms of activity; but every precaution is being taken to maintain the equipment for making radio apparatus in a state of readiness for the opportunities available when the war ends.

"There were record sales of receiving sets in Canada during the first half of 1939. The total was 92,962, compared with 63,795 in the same period of 1938. The previous half-yearly record was set up in 1937, when the sales numbered 82,765."

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WOR TO OPERATE FIRST OF NEW "F.M." TRANSMITTERS

On or about March 1, WOR will put into operation the first of a new line of frequency modulated transmitters, manufactured by Western Electric Company and hailed by radio engineers as a forward step in the technical end of the industry.

The new transmitters, according to F. E. Lack, Manager of Western Electric Company's Specialty Products Division, will be based on fundamental developments of Maj. E. H. Armstrong and will be designed to contribute to economy of operation and naturalness of transmitted sound.

In announcing that WOR would operate the first of these new transmitters, one of 1 kilowatt capacity, J. R. Poppele, Chief Engineer of WOR, explained that frequency modulation, to the listener, means amazingly fine reception, where tones appear clearer than ever before. Following March 1, WOR's programs will be given this kind of transmission over an experimental frequency allocation.

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Allyn Jay Marsh assumes the position of Assistant Sales Manager of the Columbia Broadcasting System, effective January 22. A member of the Columbia Network Sales Department for almost eleven years, Mr. Marsh in his new position will work with account representatives in a managerial capacity.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

RECEIVED JAN 29 1940

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No. 1203

WIGGLESWORTH SEES LITTLE PROGRESS AT FCC

Representative Wigglesworth (R.), of Massachusetts, chief critic of the Federal Communications Commission in the House, renewed his complaint in that body this week but in a milder form than in previous years. He merely extended his remarks about the FCC in the Congressional Record.

Citing the testimony of the FCC during hearings on the Independent Offices Appropriations Bill, Congressman Wigglesworth said:

"Little progress has been made in the solution of the various problems considered by your committee with the Commission in recent years. Nothing has transpired to indicate that a thoroughgoing investigation of the entire field of radio broadcasting and its regulation by the Federal Communications Commission is not imperative in the public interest.

"Once again we have a new chairman but this fact does not seem to have served to convince the Commission that it has created a monopoly in the hands of the three big broadcasting companies of the Nation or that the results of its handiwork have been detrimental to the public.

"The monopoly or 'monotony' investigation in which the Commission has been investigating itself in this connection and which we were advised a year ago would end in 60 days, has continued until recently, and has as yet to be considered and acted upon by the Commission.

"The transfer of stations or control stations for considerations far in excess of the value of the physical assets transferred with all the dangers of capitalization of Government franchises to the detriment of the public has continued in the last year as in previous years. This is apparent from tables inserted in the Record by the Commission.

"No recommendation is available as to the imposition of a license tax upon those making tremendous earnings out of free Government franchises; in the matter of exclusive control of the time of affiliates; in the matter of non-resident control of stations; in the matter of newspaper ownership; in other important matters.

"We are still confronted by the threat of censorship. A year ago complaint was made against the regulation imposed upon licensees for international broadcasting limiting broadcasts to those 'reflecting the culture of the country and promoting inter-

national good will, understanding, and cooperation'. That regulation was withdrawn under pressure of public opinion. Today, however, we are confronted by the code of the National Association of Broadcasters, apparently having the implied blessing of the Commission, as a result of which it is impossible to discuss any controversial issue on the air in time purchased for the purpose. Discussion is possible only on free time and the use of free time is, of course, in the absolute control and discretion of the broadcasting station. The danger of abuse of this discretion, in the hands of broadcasting stations, is self-evident.

"No further protection is suggested for the investor. In the light of alleged financial condition and operations of certain radio licenses, it would seem, either through FCC or SEC, that better protection should be afforded the public relying on Federal authorization to operate and issue securities.

"The Commission still adheres to its action of a year ago whereby its Board of Examiners was abolished, petitioners being denied the right to a finding by an impartial civil-service examiner and being turned over to the tender mercies of the General Counsel's office acting in the role of prosecutor, jury and judge.

"Attention is invited to the discussion of the action of the Commission in respect to the granting of licenses to the Greater New York Broadcasting Corporation and to the Cumberland Broadcasting Co. I anticipate that both of these matters will call for further comment at a later date."

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SINGLE QUESTION ON RADIO IN U.S. CENSUS

The radio phase of the United States census this year will be limited to a single question: "Does this household have a radio receiving set?" The Census Bureau has advised the Radio Manufacturers' Association, National Association of Broadcasters, Federal Communications Commission, State Department, Army and Navy, and the Bureau of Education that it cannot expand the radio questionnaire because of lack of funds and the time limits involved. A further conference was held recently by representatives of the Government and industry organizations with Dr. Vergil D. Reed, Acting Director of the Census, in an effort to expand the radio questionnaire, but this was found to be impossible. Thirty-three million forms had to be distributed to regional census offices by January 15th with detailed instructions, and necessary printing and distribution prevented any enlargement of the questionnaire on radio. Additional radio information, however, may be obtained from the Census Bureau's tabulation.

Development of statistics on radio ownership, by States and counties, is being planned by the National Association of Broadcasters with a view to eventual inclusion of annual figures on extra sets in homes, automobile radios, receivers in offices and institutions, etc.

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NEW TELEVISION COMMITTEE FORMATION DEFERRED

The appointment of a Committee of Manufacturers to reconsider some of the television standards proposed by the Radio Manufacturers' Association, the formation of which was suggested by James L. Fly, Chairman of the Federal Communications Commission, will be postponed until after the members of the Commission return to Washington from their inspection trip of the Eastern television laboratories early in February. This further step was made known by Chairman Fly, who said at the conclusion of the television hearings:

"There is an item I would like to mention before adjournment. We had a momentary discussion today about the feasibility of a Committee of Manufacturers, a small Committee of Manufacturers, who might again review certain of the standards that have been brought into question, and might in turn make some recommendation to the Commission. The Commission has not taken any definitive action on that idea, but before we part we thought it best to raise the point again, and perhaps a bit more seriously, and of course the Commission cannot delegate to any Committee, or even for that matter, to its staff committee, the fixing of standards on its own behalf, or agree to follow any recommendation. At the same time, you know the Commission is under something of a handicap in regard to these transmission standards, when we find the industry in disagreement, and we may consider it desirable to request of the leading manufacturers the appointment of a single representative to meet with the group, and to endeavor to give the Commission some recommendations. If that be requested it would probably be composed of one representative of the following: Farnsworth, General Electric, Stromberg-Carlson, Zenith, Philco, R.C.A., and DuMont, and of course we should want only one representative from each company and in that event we should like the best form of standards that that group might be able to arrive at unanimously. That is something that we will take the liberty of taking up with you further.

"I merely mention it again so that some thought may be given to the possibility. Also, I imagine that Dr. Wheeler (Dr. Lynde P. Wheeler, Chief of the Technical Information Section) can act as our representative on that matter, after the Commission has had occasion to consider it further."

It was denied at the Commission that the formation of the new committee was a reflection in any way upon the Radio Manufacturers' Association's Television Standards Committee or upon the Radio Corporation of America, one of the manufacturing group which is represented on the RMA Committee. The fact that the RCA endorsed the standards gave rise during the hearings to intimations that it might have exercised undue pressure in getting them adopted by the RMA Committee. This, too, was denied with the explanation that the RCA had no more voting power proportionately than the humblest member.

An an answer to this criticism, Frank W. Wozencraft, counsel for RCA, addressing Chairman Fly during the television hearings stated the position of the Radio Corporation as follows:

"We have said, and we say now, that we believe in the RMA Industry Standards; we think that they are the best standards which can be devised at this time; we think that there is nothing on the horizon which gives any indication that there is any need for any early change in those standards; we do not think any other standards are necessary. However, if the Commission feels that other standards are necessary, we shall not try to enter any objection to the grant of a license by the Commission to whoever proposes additional standards and asks for authority to transmit television broadcasts according to those standards.

"We have said, from the beginning, that we are for the RMA standards and that we think they are all that is necessary; we have said, from the beginning, that if the Commission does permit broadcasts under a different standard that we will endeavor to put on the market receivers which will receive both types of television and that we will endeavor to develop and to make available at as low a cost as possible gadgets or adapters, or different kinds of mechanism which will adapt the receivers already in the hands of the public to the transmissions under the different standards which may be permitted by the Commission.

"We say definitely and positively that we are behind the RMA standards; we say, also, that the Commission is determining what is in the public interest and that if the Commission determines that there should be more than one set of standards, then we will try to make receivers available to the public that will receive on both sets of standards; we say, further, to the Commission that if the art is to progress as rapidly as it can progress, we and others who wish to do so, ought to be permitted to put into use promptly the standards which are tried and tested - the RMA Industry Standards, and use those standards in stations with limited television."

While those at the Commission evidently leaned over backwards to avoid criticizing the RMA Standards, nevertheless it was pointed out that though the members of the RMA Television Committee voted for them, the hearings had shown that they were not all in step in the matter. Significance also seems to be attached to the objections of the DuMont Company. Though this concern does not belong to the Radio Manufacturers' Association, it was invited by the RMA Television Committee to participate as a guest member.

What the new committee will be able to accomplish that the industry group failed to do, remains to be seen. As yet the names of the members of the committee to be formed under the supervision of the FCC have not been announced. The representative of each company, of course, will be named by the respective companies and not by the Commission. It does not seem to be certain that Dr. Wheeler will even participate in a deliberation of the committee. In one instance he was simply described as the contact man between the television manufacturers' group and the Communications Commission.

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TWO U.S. AGENCIES FIGHT FOR RADIO CONTROL

A serious inter-agency controversy appears to be developing over where to lodge control of and responsibility for Government radio activity, it was reported this week. The dispute, smoldering, but not yet broken into flame, is between the Office of Education and the Office of Government Reports.

The issue is which of the two agencies should become the central Government establishment in charge of coordinating and supervising the daily increasing use by other Federal organizations of the air waves as a channel for dissemination of education and information.

Both agencies deny harboring "czaristic" amoitions to control the Government's radio activity or even that they want to expand their present radio functions. And the heads of both establishments - Commissioner of Education John W. Studebaker and Director of Government Reports Lowell Mellett - are on cordial terms. The fact is, however, that Government departments and offices are becoming increasingly interested in using the radio as a publicity medium. And by the nature of the radio publicity, as distinct from the "press release" technique, increased use will necessitate a central agency in a supervising and directing capacity.

One of two agencies would appear to be the logical establishment to assume this function. Although funds for Mellett's radio service were transferred to the Education Office by the second reorganization order last Summer, the small staff doing the work has remained in the Reports office, and is still being paid from the transferred funds.

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GERMANY CONTINUES TELEVISION VIA CABLE

The wireless transmission of television programs in Germany has been discontinued since the beginning of the war, while the transmission of television programs by cable was resumed by the Reichpost Television Ltd. three weeks after the outbreak of hostilities, according to the office of the American Commercial Attache at Berlin. Under war conditions the Reichspost Television, Ltd. is expanding its network of sound-television cables. Seven auditoriums in Berlin have been wired and are being used for sound television reception. Cable transmittal of television programs to Hamburg is scheduled to begin shortly.

The continuance of sound television operations in Germany on a "skeleton basis" is explained by the necessity of continuing scientific and technical progress in television.

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1939 TAX ON RADIOS 18% ABOVE 1938

Extraordinary Christmas sales of radio brought the total of Government collections in 1939 of the Federal 5 percent tax on radio and phonograph apparatus to $5,229,649.14, according to compilations by the Radio Manufacturers' Association. The 1939 excise tax collections were 18 percent above 1938 total excise taxes of $4,431,614.20, and the tax records do not include additional taxes collected at 2 percent, on automobile radios and accessories not segregated in the Treasury returns.

The RMA compilations indicated that a somewhat larger percentage of sales occurred during the first six months of 1939 compared with the similar period of 1938, and similar smaller proportion during the last six months of 1939 than in the preceding year, despite the sales impetus of the European war on short-wave radio and the unusually large holiday sales last December.

The December 1939 radio tax collections were $744,123.68, an increase of 25½ percent over the December 1938 taxes of $592,996.70. The December collections were the largest of any single month since October 1937. December tax collections on mechanical refrigerators decreased, amounting to $222,892.52 compared with $238,626.90 in December 1938.

Since the radio excise tax law became operative June 30, 1932, the radio industry has paid total taxes of $34,573,525.18, exclusive of additional excise taxes on automobile radio and accessories. Optimistic estimates of future radio excise tax collections were given recently by the Treasury Department to Congress, in the budget estimates. The Treasury estimated that the radio excise tax collections for the fiscal year ended June 30, 1940, would be $6,400,000, and that the 1941 radio tax collections would be $7,900,000. Treasury estimates have invariably been excessive.

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RADIO INDUSTRY OPTIMISTIC OVER 1940 PROSPECTS

With news from Europe and a presidential election at home to stimulate interest, the radio industry is optimistic over sales prospects for receivers this year.

The Fitch survey estimates that more than 9,000,000 sets were sold in 1939, when the portable radio was a standout sales stimulant.

From present indications, the leader for this year may be the new combination radio-phonograph-home recorder, which features complete equipment for making records at home.

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APPLICATIONS FOR EXPERIMENTATION WITH "F.M." NOW ACCEPTABLE

Ot obtain more factual data about frequency modulation for services other than broadcast, the Federal Communications Commission has announced that it will accept applications for such experimental authorizations on the frequencies allocated to those services above 30,000 kilocycles.

This applies to such services as emergency, aviation, and those miscellaneous radio services not directly involved by the Commission's informal engineering hearing, scheduled to begin February 28, primarily to consider frequency modulation as applied to the standard broadcast service.

Frequency modulation is claimed to offer definite advantages over existing amplitude modulation systems in the police and aviation services. In the police service, each system is under the direct control of one licensee who can plan and control the installation and operation of both the transmitting and receiving systems. There are approximately 1,000 police radio systems with more than 6,000 transmitters (including headquarters and patrol cars) now using amplitude modulation.

On the basis of the reports required to be submitted under the experimental rules, and after observation of operation by Commission personnel, decisions will be reached as to whether and under what conditions frequency modulation can be regularly authorized for use in the non-broadcast services.

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SARNOFF HEADS RADIO DRIVE TO SAVE OPERA

David Sarnoff, President of the Radio Corporation of America, has been named Chairman of the Radio Division of a campaign to raise $1,000,000 from the public, including radio listeners, to enable the Metropolitan Opera Association, the producing company, to acquire the Metropolitan Opera House and to develop it as a national music center.

The National Broadcasting Company will depart from precedent by asking radio listeners to send $1 each to the Association as a contribution to preserve "the world's finest opera".

Mr. Sarnoff, estimating that the radio audience of the opera has grown to more than 10,000,000 persons, pointed out that almost everywhere in the world outside the United States, grand opera is supported by Government subsidies. The day will come, he said, when it will be possible for persons far distant from the opera house to see as well as to hear the opera, and that is another reason for wishing to insure its continuance.

During the nine years of NBC broadcasts of the opera, he said, the network has paid the Metropolitan Opera Association more than $1,000,000 and has freely given the broadcasts to the public on radio time that would have been worth $3,000,000 at commercial rates.

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TELEVISION COMMERCIALIZATION ADVOCATED

Otto Schairer, Vice-President of the Radio Corporation of America, in charge of the Patent Department, one of the concluding witnesses last Tuesday at the television hearings before the Federal Communications Commission, said that the limited commercialization of television would result in the sale of more sets, bring about more research, give encouragement to high frequency and coaxial cable experiments, and that thus many things would be learned. He said that the research expenditures of the RCA in 1939 was a million and three-quarter dollars and in 1938 a million and a half, a very substantial part of which went for television.

Asked if it was possible for the RCA to manufacture a set without the use of outside patents, Mr. Schairer said, "No, we want the best there is and are willing to pay for it." He said it was a very rare thing for the RCA to turn down anybody who wanted to lease its patents. He said that RCA was anxious to have television developed and welcomed the cooperation of the whole industry.

Louis Caldwell, counsel for Philco, said that the two Philco companies - Philco Radio and Philco Television - had each spent $500,000 last year in research.

Philo Farnsworth, of the Farnsworth Television and Radio Corporation, urged the adoption of the RMA standards. Asked if he thought television was ready for the public, he said: "I do."

Asked if there wasn't a likelihood of fixed standards freezing the industry, Mr. Farnsworth replied: "Yes, it may freeze some but if we don't do that we will freeze ourselves. If you mean limit it, I don't believe it would." "If a set were built under the present standards, would there likely be any development which might make the set obsolete?" "No", was the answer.

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TENTATIVE TELEVISION TOUR PREPARED FOR FCC

A tentative itinerary for the Federal Communications Commission to follow in its eastern tour of television plants, February 1 to 5, was prepared this week.

It includes a visit to General Electric laboratories at Schenectady, a field demonstration at Poughkeepsie, N.Y., an inspection of RCA, Cathay-Ray, and Dumont equipment in New York City, and visits to the RCA Camden, N.J., plant and the Philco station and laboratory in Philadelphia.

Final details of the tour will be announced early next week.

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TRADE NOTES

The volume of radio exports is being maintained despite the European War, according to the current report for November, 1939, of the U. S. Bureau of Foreign and Domestic Commerce. Radio exports last November totaled $2,155,741, only slightly decreased from the previous month of October, and compare with November, 1938, exports of $2,206,141. The November, 1939, exports were the largest other than the preceding month of October since December, 1938. Exports of receiving sets, parts and accessories last November increased over the previous month, although there was a slight decrease in tube and speaker exports. There were substantial exports in November to Great Britain, France, and the neutral European countries, as well as to Latin America and South Africa.

Two agricultural college graduates who last Fall won $500 scholarships to study the radio aspects of farming in a contest sponsored by WLW, have been added to the permanent staff of the station's agricultural department. They are Merton Emmert, from Kansas State Agricultural College, and Charles Grisham, from Alabama College of Agriculture. The scholarships provided for a six-months study course at WLW. When the scholarships expired early this month, both were added to the regular staff.

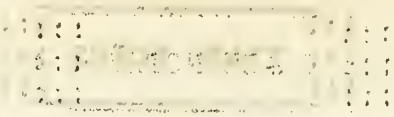
Station KMPC, Beverly Hills, Calif., has commenced full time operation as a member-station of the Columbia Broadcasting System, bringing the network total to 119 stations in 118 cities. KMPC operates with a daytime power of 5,000 watts and evening power of 1,000 watts at a frequency of 710 kilocycles.

Prof. George Washington Pierce, distinguished Harvard physicist and pioneer in many fields of radio research, has retired after forty years' service on the Harvard faculty. He has been named Rumford Professor of Physics and Gordon McKay Professor of Communication Engineering, Emeritus, effective next September 1st, the University has announced.

During the World War, Dr. Pierce invented several devices, notably instruments used on ships for submarine detection and also for depth finding. More recently he has conducted research in the field of high-frequency oscillation, developing the quartz crystal oscillator used by radio stations to fix transmission frequencies.

The Federal Communications Commission has granted the application of Florence H. Frey and Robert O. Greever, Logan, West Va., to establish a new broadcast station at Logan, W. Va., to operate on the frequency 1200 kilocycles, power 100 watts, daytime only.

The radio industry's program for 1940, including promotion, merchandising, and problems in connection with television, frequency modulation and other technical progress, will be considered by the Board of Directors of the Radio Manufacturers' Association at a meeting Thursday, Feb. 8, at the Hotel Roosevelt in New York City.



The Federal Communications Commission has tentatively granted the application of the Presque Isle Broadcasting Company for a construction permit to erect a new radio station in Erie, Penna., to operate unlimited time on the frequency 1500 kc., 100 watts night, 250 watts local sunset.

The National Broadcasting Company has leased the Ritz Theatre, New York City, at 225 West 48th St., for use in the broadcasting of network programs. This is the third theatre to be taken under lease for this purpose by the NBC, which now operates the Vanderbilt Theatre on West 48th St., and the Barbizon-Plaza, Sixth Ave., and 58th St.

John Fox has been appointed Assistant to the Director of Sales Promotion of the Columbia Broadcasting System, effective immediately. Mr. Fox's position is a newly-created departmental post. Hitherto he has served as Production Manager and Space Buyer of the Sales Promotion Department of CBS.

The Federal Communications this week granted the application of Union Broadcasting Company, to establish a new station in Scranton, Pa., to operate on the frequency 1370 kilocycles, power 100 watts night, 250 watts local sunset,unlimited.

Alfred J. McCosker, President of WOR and Chairman of the Board of the Mutual Broadcasting System, left New York City today (Friday) accompanied by Mrs. McCosker, for a month's stay in Hollywood as the house guest of Rudy Vallee.

Much comment was caused at the television hearings before the Federal Communications Commission when Thomas Joyce, Vice-President of RCA Manufacturing Company, pulled out a little portable radio receiving set from his brief case. It is said to have been about the size of a pocket camera with a battery such as is used in an ordinary hand flashlight. The set is as yet in a state of experimentation and is not being manufactured commercially.

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CRAVEN HITS FOR FLORIDA BEACH

Taking advantage of a lull in Commission work, following his strenuous participation in the television hearings, being the only Commissioner who rates as a technical expert, Commander T.A.M. Craven is taking a short vacation at Miami Beach before the forthcoming tour of inspection of television laboratories. With a nine-inch snow on the streets of Washington the day he left, and from 14-16 inches reported in the deep South, Commander Craven's friends wish him luck in escaping from the widest shivering belt this country has known in many years.

P.S. An Associated Press dispatch the morning "Tam" arrived in Miami said the stock of electric heaters and heavy underwear had been exhausted so maybe it wasn't hot down there after all.

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NEW TELEPHONE RATE REDUCTION STUDIES ORDERED

The Federal Communications Commission has voted to institute studies as to the possibility of further reductions in the long line rates of the American Telephone and Telegraph Company.

Commissioner Paul A. Walker reported that figures before the Commission indicate a substantial saving to telephone subscribers might be made without reducing net earnings of the company below a fair return on the reasonable value of the property used in the interstate service.

The Commission will proceed under the order of September 9, 1936, authorizing an investigation which subsequently was stayed by negotiations with the company resulting in reductions.

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CROSLEY SEEKS PERMIT FOR "F.M." STATION

The Crosley Corporation, which operates Station WLW, Cincinnati, has applied to the Federal Communications Commission for permission to erect a frequency modulation transmitter.

The request is for a frequency of 43.2 megacycles, on a wavelength of 6.95 meters, to operate on unlimited time at 1000 watts. If the license is granted, the transmitter will be erected on the top floor of Cincinnati's 48-story Carew Tower, site also of the organization's television studios.

The purpose of the station will be experimental, officials said. Frequency modulation, according to engineers, can be received without static, through the special sets designed for its use. They pointed out that present standard broadcasting stations, which are operated on amplitude modulation, are also "staticless", but that many standard broadcast receivers are not.

Plans call for the frequency modulation station antenna to be placed atop the Tower.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT RECEIVED JAN 31 1940

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No. 1204

January 30, 1940

SUPREME COURT ENHANCES AUTHORITY OF THE FCC

The U.S. Supreme Court on Monday overturned many popular misconceptions regarding the rights of appeal from decisions of the Federal Communications Commission in a significant ruling and a rebuke to the U. S. Court of Appeals for the District of Columbia.

The Supreme Court upheld the Government's contention that the Court of Appeals has no right to supervise the administrative action of the FCC.

The tribunal reversed a decision directing the FCC to reconsider an application by the Pottsville (Pa.) Broadcasting Company for a radio station construction permit without at the same time considering two other applications subsequently filed. A similar ruling was made in the case of Paul R Heitmeyer, of Cheyenne, Wyo.

Justice Frankfurter, who wrote the unanimous opinion, asserted that "courts are not charged with general guardianship against all potential mischief in the complicated tasks of government".

"The present case", he added, "makes timely the reminder that 'Legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts.'

"Congress, which creates and sustains these agencies, must be trusted to correct whatever defects experience may reveal.

"Interference by the courts is not conducive to the development of habits of responsibility in administrative agencies. Anglo-American courts, as we know them, are themselves in no small measure the product of a historic process."

The decision directed the United States Court of Appeals for the District of Columbia to dissolve a writ of mandamus granted against the Commission and to dismiss the broadcasting company's petition.

In appealing to the Supreme Court, the Federal Communications Commission said that the Court of Appeals, in issuing a mandamus to require individual consideration of the Pottsville and Heitmeyer applications, had infringed upon its administrative powers, and Justice Frankfurter's decision, which reviewed at length the history of administrative bodies in the Government, made it clear that the court believes that Congress had intended these groups to be supreme in their own field.

The decision said that unless "vital differentiations between the functions of judicial and administrative tribunals are observed, courts will stray outside their province and read the laws of Congress through the distorting lenses of inapplicable legal doctrines".

"Interference by the courts is not conducive to the development of habits of responsibility in administrative agencies", the Frankfurter opinion said.

Attorney General Robert H. Jackson, in his last argument before the Supreme Court as Solicitor General, asserted that "the only ultimate effect" of the decision by the Court of Appeals "is to destroy orderly procedure in the Commission".

The Appeals Court ruling, he added, subordinates the interests of the public "to the private interests of a particular applicant who happened to be the first to file for given facilities".

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ALIEN'S SHIP RADIO LICENSE REVOKED BY FCC

The Federal Communications Commission last week ordered revocation of the ship radio station license of Franklyn Fischer, of New York City, to operate radiotelegraph equipment on the yacht SINBAD II.

On July 1, last, Fischer made application to operate a 25 watt station on the yacht, which is of American registry. The license was issued for one year, from July 13, and the call letters WCQR were assigned. On October 4 Fischer applied to increase the power of this station to 50 watts, which was granted six days later.

In both instances Fischer stated, under oath, that he was a citizen of the United States by birth. The Commission's inspector-in-charge at New York subsequently learned that Fischer was born in Vienna and has not been naturalized. Fischer is given 15 days in which to request hearing or return his license.

The Communications Act specifically restricts radio licenses of all kinds to American citizens.

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The 1940 International Yearbook of Editor & Publisher, issued last week, carries the following information relative to radio: a list of books on radio and the press, radio editors in the United States and Canada, and a list by States of radio stations affiliated with newspapers.

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AID TO POLICE SEEN IN FCC RULING ON "F.M."

Announcement by the Federal Communications Commission that it would accept applications for Class 11 experimental authorizations, covering the use of frequency modulation in emergency and other non-broadcast services, was interpreted this week by FCC officials as giving a definite boost to police use of radio communication.

The step was in line with previous actions, it was said, in making available to the police of the United States as rapidly as possible, new developments in the art of radio transmission.

Today's nearly 1,200 police radio stations are a marked contrast to the handful of such stations a decade ago. On January 1 of this year 28 States were operating 251 police radio stations and, in addition, there were 913 municipal police radio systems involving 6,074 radio transmitters.

The first reference to police radio as such appears in the records of the Federal Radio Commission in Order No. 74 issued October 11, 1929, which allocated three frequencies for emergency police stations. However, police departments had made use of radio before the date for various purposes. The City of New York established a radio station on June 2, 1916, under the call letters KUVS, for communication with harbor police boats and for the general policing of shipping in New York harbor. This station is still in operation and is now assigned the call letters WPY.

The first State police radio system was established in 1923 by the State police of Pennsylvania, consisting of a number of low frequency radiotelegraph stations for communication with the police headquarters. This system is also still in existence but at present supplements the wire communications which interconnect the various police headquarters.

The first police radio system, such as is now generally recognized, was established by the City of Detroit, and the first State police radio system to communicate with the State police radio automobiles was established by the State of Michigan. As early as 1920 experiments with a police radio car had been carried on in Detroit in collaboration with the Detroit News. In 1922 the significant radio call letters "KOP" were assigned to the Police Department of that city, but it was not until 1928 that an effective city radio police patrol was achieved.

It should be noted that "police broadcasting station" is a misnomer, the FCC pointed out. Police radio stations are not, strictly speaking, broadcasting stations since everything they send is directed either to individual persons or to restricted groups of persons, while broadcast stations transmit programs for reception by the general public.

From the early beginnings of police radio, the number of stations rapidly increased, and, keeping pace with the development, additional frequencies were allocated for this use. In the latter part of 1931 and in the early part of 1932, a great deal of interest was aroused in the possibility of using frequencies above 30,000 kilocycles for local communications. It appeared evident on the basis of laboratory work that these frequencies in all probability would become extremely useful for police and other communications. However, insufficient information was at hand, and no practical experience had been gained which could be used as a basis for the promulgation of rules and regulations or an allocation of these frequencies in an equitable manner among the various services.

The Federal Radio Commission, which was then responsible for radio licenses, decided to authorize the experimental use of these frequencies by police departments for the purpose of gaining information as to their utility. As far as possible operations were permitted in exactly the same manner as they would be conducted should the licenses have been on a permanent basis rather than experimental in nature.

The first construction permit for a two-way police radio system issued under this policy was to the City of Bayonne, N.J., in 1932. Although this city had the first construction permit, the City of Port Jervis, N. Y., was the first to be actually licensed for two-way communication.

In addition to the facilities made available for communication from police headquarters to the police officer on duty, frequencies have been set aside, and rules and regulations promulgated, under which a nationwide police radiotelegraph communications system is developing. By interconnection with the leased wire telegraph circuits, which are established in the northeastern States, this system makes possible the exchange of information about crime and criminals between practically every center of population in the United States.

Much interest is now being evinced in frequency modulation with respect to broadcasting, and the Commission has ordered a hearing on February 28th on this subject. Considerable experience has been gained experimentally with respect to the use of this new facility in broadcasting. However, very little, if any, has been done in the matter of the practical application of frequency modulation to other services. In spite of the fact that in services other than broadcast only narrow band frequency modulation can be permitted, it is claimed that by the adoption of this system interference from static and from sources such as motors and spark plugs will be minimized.

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TELEVISION TOUR COVERS EASTERN EXPERIMENTS

The itinerary that the Federal Communications Commission will follow in its inspection of television developments in the East, February 1-5, was announced last Tuesday.

On February 1 the Commission will first see in Albany and Schenectady a demonstration of a General Electric broadcast from a transmission originating in New York City. That evening in the Newburgh area and Poughkeepsie, the FCC will witness home reception of a television program from the RCA-NBC station atop the Empire State Building in New York City.

On February 2, the FCC will go to New York City and first inspect the NBC studios and television broadcasts. The following day it will visit the Cath-Ray Electronic Laboratories to see its new receivers and will witness a demonstration of the flexible system of transmission at the laboratories of Alan B. Dumont in Passaic, N.J.

On February 3 the Commission will go to the RCA plant at Camden, N.J., to see a new large screen projection and other developments still in the laboratory stage.

The same day it will witness a demonstration of polarization mitigation of interference at the laboration of the Philco Radio & Television Corporation in Philadelphia.

Because of its inability to visit Los Angeles, the FCC has instructed its local inspector to inspect the television work of the Don Lee Broadcasting System.

All members of the Commission, except Commander T.A.M. Craven, are expected to take the Eastern trip. Commissioner Craven, Chairman of the Special Television Committee, made the previous tour and is now in Florida on vacation.

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KUMA LICENSE REVOCATION MADE FINAL

The Federal Communications Commission last week made final its order of revocation in the case of radio station KUMA at Yuma, Arizona, after allowing Albert H. Schermann, licensee, to withdraw application for hearing. The revocation order is effective February 1, 1940.

Revocation proceedings were instituted February 20, 1939. The matter came up for hearing December 1 last at Phoenix, Arizona. The evidence shows that Schermann violated the law in that he failed to operate his station in accordance with the terms of the license, having transferred station control to E. B. Sturdivant. Schermann was shown to have visited Yuma but three times in five years. KUMA operates on 1420 kilocycles, 100 watts, specified hours.

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NORMAN BAKER, EX-U.S. BROADCASTER, CONVICTED

A Federal Court jury last week at Little Rock, Ark., convicted Norman Baker, one-time American broadcaster and founder of hospitals at Eureka Springs, Ark., and Muscatine, Iowa, and two associates on charges of using the mails to defraud in advertising the Baker treatment as a "cure".

The court deferred sentence when a motion for a new trial was entered.

The station of Norman Baker, KTNT of Muscatine, Ia., operating a hospital where he alleged cancer could be cured without an operation, was closed down in 1931 by the old Federal Radio Commission on the complaint of the American Medical Association. Baker, following the example set by Dr. John R. Brinkley, described in a Congressional hearing as "a goag gland specialist", whose station KFKB at Milford, Kansas, had also been closed, later began broadcasting back into the United States from Station XENT in Mexico, just across from Laredo, Texas. This station was said to have had 150,000 watts power and could be clearly heard in many parts of the U.S. Baker conducted a full-fledged campaign, after having announced himself a Republican candidate for the United States Senate from Iowa - by appealing to the voters of Iowa from Mexico over XENT, which was a brand new idea in American politics.

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CHILE CONFERENCE DRAWS UP PROPOSALS

The second inter-American Radio Conference at Santiago, Chile, ended Saturday last, after having drawn up recommendations based on nine days' study, the New York Times reported.

The Conference achieved solutions or paved the way for early settlement of the following problems:

Allocation of radio frequencies on the American continent
Uniform time and time signals
Short-wave broadcasting
Frequency tolerances
International radio police services for the enforcement of law
Suppression of non-essential radio
Freedom of radio communications
Air navigation aids
Study of the needs of aeronautical services for additional frequencies
The status of amateurs remained unchanged.

All American countries with the exception of Canada are represented, the meetings following the Third South American Radio Communications Conference in which South Americans covered the regional field.

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THEATERS COMPLAIN TO CONGRESS RE RADIO LURES

Congress this week heard a complaint from motion picture theatre representatives that radio programs such as "The Pot of Gold" feature constitute gambling in violation of the Communications Act.

Representative Tenerowicz (D.), of Michigan, placed in the Congressional Record letters from theatre owners in Michigan with the following remarks of his own:

"Already the practice referred to - the conduct over a national radio hook-up of what amounts to gambling - has been brought to the attention of the Federal Communications Commission. A group of theaters in Detroit, known as Cooperative Theaters of Michigan, through their representative, Mr. Thomas McGuire, have undertaken single-handed to stop this weekly diversion of revenues from the little-theater owners of the Nation. They have sponsored the complaint but it is my understanding that because of legal loopholes, the Commission may not be able to take any action.

"These letters assert that incalculable losses in revenue are being suffered by this legitimate group of taxpayers every Tuesday night when this particular program takes to the air. To me it is a palpably unethical intrusion and a matter that deserves immediate 'policing' by the Commission."

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MILLER REPORTS MANY STATIONS BACK MUSIC PROJECT

Neville Miller, President of the National Association of Broadcasters, returning to Washington this week from attending district meetings throughout the United States, reported that 90 percent of the stations represented at the conferences will support the NAB-organized Broadcast Music, Inc.

Broadcast Music was organized a few months ago in a new attempt to make the organized broadcasters independent of the American Society of Composers, Authors and Publishers, with which it has been battling over charges imposed for using copyright music.

"I have just returned to Washington from attending District meetings in New Orleans, Dallas, Los Angeles, San Francisco, Portland, Seattle, Columbia, Georgia, and Orlando, Florida", Mr. Miller said. "These meetings, with the Third District recently held in Camden, complete the series of District meetings, and I believe we can feel very encouraged over the enthusiastic support which Broadcast Music received at practically all the meetings.

"Now, for a few statistics - 416 stations were represented at the meetings, and representatives of 358 stations have either signed or agreed to recommend approval by their directors, or have

indicated approval in some manner. In a number of cases, the representative present individually approved of Broadcast Music, but felt he was unauthorized to commit his station in any way without first reporting back to his superiors. 140 stations have sent in their checks, together with signed Stock Subscriptions and License Agreements; additional ones are arriving in every mail. I believe we can now count on the support of at least 90 percent of those stations which were represented at the meetings. That, to me, indicates a tremendous endorsement. However, there is much work yet to be done."

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INDUSTRY SOLD 9,000,000 RADIOS LAST YEAR

The American radio industry sold 9,000,000 radio sets in 1939 for a total of $289,000,000, according to the January issue of "Radio and Television Today", edited by O. H. Caldwell. The total number of sets in the United States on January 1, 1940, he estimated, was 45,200,000 as compared with 40,800,000 on the corresponding date of 1939.

During the year the public, through advertising, purchase of sets, servicing, etc., paid $814,000,000 for its radio entertainment.

Following are the tables in which the totals were arrived at:

Radio Sets In Use

	Jan. 1, 1939	Jan. 1, 1940
U.S. homes with radios	27,500,000	28,700,000
"Secondary" sets in above homes	7,500,000	9,200,000
Battery Portables	200,000	900,000
Auto-radios	5,800,000	6,500,000
Total sets in use, U.S.	40,800,000	45,200,000
Total homes in U.S.	32,250,000	33,000,000
Total homes with autos	19,000,000	20,500,000
Total residence telephones	13,250,000	13,500,000
Total homes with electricity	24,000,000	24,450,000

U.S. Annual Radio Bill

Sale of time by broadcasters, 1939	$170,000,000
Talent costs	35,000,000
Electricity, batteries, etc., to operate 38,400,000 receivers	165,000,000
9,000,000 radios sold in 1939 at retail	289,000,000
36,000,000 replacement tubes @ $1.25	45,000,000
Radio parts, supplies, etc.	50,000,000
Servicing radio sets	60,000,000
U.S. Public paid for radio in 1939	$814,000,000

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TRADE NOTES

World radio market series released by the Department of Commerce this week covered Ivory Coast, Mauretania, Dohomey, Niger, and French Soudan.

Members of Congress are receiving circular letters from I. H. Nakdimen, Treasurer of the Oklahoma-Arkansas Telephone Co., of Poteau, Okla., attacking the Federal Communications Commission for its handling of the telephone inquiry and charging that the Commission is unduly influenced by the Bell System.

WJR, the Goodwill Station, Detroit, reports for 1939: Net income, $483,925, equal to $3.74 each on 129,500 capital shares, against $330,578, or $2.55 a share, the year before.

WSAY, Rochester, N.Y., will join the Mutual Broadcasting System on Thursday, February 1, when permanent lines will be installed, thus giving the network an affiliation in the 25th ranking retail sales market of the U.S. - and a total of 118 stations in U.S. and Hawaii. WSAY has 250 watts, full time, on 1210 kilocycles and is operated by Gordon P. Brown. The station went on the air Sept. 26, 1936.

Executive authorization on Federal Communications Commission recommendation has resulted in issuance of a single license to cover four submarine cables across the Niagara River connecting the United States and Canada. The licensee is the Great North Western Telegraph Company of Canada, whose cables link Buffalo, N.Y., and Bridgeburg, Ontario, at the draw of the international bridge, via Western Union Telegraph Company facilities on Squaw Island.

"Then Came War: 1939", a set of three twelve-inch records edited by Elmer Davis, CBS news analyst, which dramatize the historic events leading up to the present European war, has been produced by Time Abroad, Inc., and released by the World Book Company. The records are the first of a series, entitled "The Sound of History", which will present current history to American students in vivid, dramatic form. The pressings were made by Columbia Recording Corporation's new high-quality process at its Bridgeport, Conn., plant.

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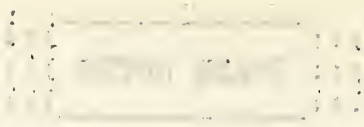

TELEVISION AUDIENCE GROWS 10%, NBC SURVEY SHOWS

First facts on telecasting in New York City were released this week by Alfred H. Morton, NBC Vice-President in Charge of Television, in a report covering the National Broadcasting Company's first eight months of telecasting.

Mr. Morton's figures show that television has built up an audience already of more than 2,000 receiver owners in New York City and its immediate environs. Mr. Morton's conclusion is optimistic. "We feel that with the groundwork described in this report", he says, "we have established the machinery, the philosophies and the enthusiasm requisite for successful television broadcasting."

Receiving sets in metropolitan New York homes, according to the Morton survey, were 89.8% of the total number distributed, with a scattering of receivers in theaters, hotels and other public places.

The average evening audience at the present time is indicated as about 8,000 persons, out of a potential audience of 10,000 persons. The average for all audiences, afternoon and evening, is placed at 68.9% of the estimated potential audience.

"We find also that 100% of the television audience views at least two hours of the week's program schedule", the NBC official comments, "and that 87.1% takes time to look in upon between five or six hours a week, approximately one-half of the total schedule. Sixty percent of the audience sees between seven and eight hours a week and 21% view the entire week's schedule."

The facts released by Morton were contained in a report submitted to the Federal Communications Commission at the time of his appearance at the hearing on proposed television rules and regulations. Material relating to audience reaction was compiled from questionnaire returns by NBC lookers-in.

The audience poll, now in the annals of radio history, was begun last October. Its purpose is to synchronize the National Broadcasting Company's television programming activities with the interests and desires of the average televiewer. The audience was invited on numerous occasions to write for weekly program charts. A feature of these charts is a detachable return card, bearing spaces for the rating of each program item telecast by NBC. The first mailing of these charts comprised 249 names of set owners. Three months later, for the first week of 1940, the list had grown to 1,005 set owners and is currently growing at the rate of about 10% a week, NBC stated.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
RECEIVED
FEB 3 1940

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No. 1205

FCC PREPARES FOR REALLOCATION UNDER TREATY

The Federal Communications Commission this week took its first step toward reallocating about 90 percent of the nation's more than 800 broadcasting stations after receiving official notice that President Cardenas of Mexico had signed the North American Radio Treaty.

The first step was suspension of the new FCC rule extending broadcasting station license periods from six months to a year and providing for a staggered system of license renewals.

The FCC notified all licensees whose expiration date falls beyond August 1, 1940, that all licenses will terminate as of that date.

While there was no official word from the Commission, broadcasters quickly interpreted the action as an indication that the FCC may adopt a three-year licensing period, as allowed by the Communications Act, once the reallocation is put into effect.

The Commission's action was taken when approximately 100 applications for renewal on a year's basis, from February 1, were considered. The renewals were granted instead only until August 1.

Extension of present licenses until August 1 was understood to mean that the reallocation necessitated by the promulgation of the Havana Treaty will not be effected before that date and probably afterward. The order adopted gives all licensees until February 15 "to show cause in writing why this order of modification should not issue effective March 1, 1940".

The license renewals temporarily extended on the eve of the February 1 deadline affected stations operating on clear channels, including limited time and daytime assignments. It was the first group of license extensions to fall due under the one-year provision. Other renewals since August 1 have been for only the unexpired portion of the one-year term. The 106 frequencies on which broadcast stations are assigned have been staggered at two-month intervals from February 1 for convenience in routine handling.

Just when the reallocation will become effective cannot be determined until conflicts with other countries on the Continent are worked out respecting certain assignments. The only changes from the original treaty provisions are those provided for in a bi-lateral agreement with Mexico under which four frequencies

allocated to Mexico will be kept entirely clear in this country, with no other station assignments on them, while on two other frequencies, only one station will be assigned in this country. The four entirely clear frequencies are 730, 800, 900 and 1570 kc. In addition it is agreed that on 1050 kc., only one station in this country (WHN, New York City) will be assigned. On 1220 kc. the agreement permits only one station in this country to be located in the central area.

Formal conversations with Mexico, Canada and Cuba as to the effective date will not be undertaken until Mexico formally deposits with the Havana Government the signed treaty provisions. Meanwhile, the FCC is continuing its survey of assignments under the reallocation, and has made substantial progress.

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FCC TO INQUIRE INTO MANAGEMENT CONTRACTS

To determine whether broadcast licensees are themselves discharging the rights, duties, and obligations under their licenses or whether, on the other hand, such rights have been turned over to and are being exercised by outside operating companies under so-called management contracts, the Federal Communications Commission has ordered hearing on certain pending applications for renewal of radio station licenses, and for other and similar renewal applications as they come before it.

Those stations already designated for hearing, under this move, at a date to be set later, are Westinghouse Electric & Manufacturing Company licenses for WBZ and WBZA, both at Boston; KYW, Philadelphia, and KDKA, Pittsburgh; WGY, General Electric Company, Schenectady, N. Y.; WESG, Cornell University, Elmira, N.Y.; WWL, Loyola University, New Orleans; and WAPI, Alabama Polytechnic Institute and University of Alabama, Birmingham, Ala.

The Commission now has before it the case of Station WSAL at Salisbury, Md., wherein it was alleged in the revocation order that control had passed to a mortgagee. Commissioner Thad H. Brown conducted hearings and has laid his findings before the full Commission.

The Communications Act requires that a radio broadcast station be operated by the license holder.

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The Radio-Recording Division of the National Broadcasting Company announces that since December 15, 1939, seven stations have newly subscribed to the NBC Thesaurus Library and 24 stations have contracted for renewals.

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NAB PLEDGES AID TO CHURCH CAMPAIGN

Declaring that "anti-sectarianism and anti-racial propaganda weakens both religion and the liberties of our country by divisive tactics of propagandists attempting to arouse Americans against themselves", Neville Miller, President of the National Association of Broadcasters, on Thursday, pledged the cooperation of the radio industry in a nation-wide campaign with the Federal Council of the Churches of Christ in America, wherein local ministers will use local radio stations "for the purpose of creating a better understanding between the various races and religious groups".

In a letter sent to all radio stations in the United States, Mr. Miller further declared: "There is no greater public service a station can render than to give its facilities to bring its listeners closer together in the bonds of understanding, based upon truth and fact. This, to me, is one of the root-principles of the American system of broadcasting."

Mr. Miller pointed out that from its knowledge of past history, the Federal Council of Churches, representing some 143,000 individual Protestant congregations in the United States, "knows that the germs of intolerance cannot easily be controlled, once let loose", and that "the time is at hand for a constructive campaign of tolerance and understanding".

In a statement by the Federal Council of Churches, the aims of the campaign were detailed as follows:

"The primary aim of this radio campaign is to lay essential facts before the American public, in order that, through an educated public opinion, we, as a people, may profit from the example of many less fortunate European peoples living in countries where democracy has been destroyed by tactics that included the fomenting of racial and religious hatred and oppression.

"Leading Christian clergymen in hundreds of American cities, over their own local radio stations, are being asked by the Federal Council of Churches, to 'lead the way' in this radio campaign in the common interest of all racial and religious groups in America and for due recognition of the contributions of minorities in the life of society as a whole.

"The Christian church is showing a great awareness of the issues presented. It is interested in healing, conciliation, understanding, mutual aid and peace. The clergymen will present information and discuss the contributions which all interested citizens can make to the American democracy."

Mr. Miller's letter to the broadcasters follows:

"The Federal Council of the Churches of Christ in America is sending one of its local contacts to your station, with the sincere request that facilities be granted to a local minister,

for the purpose of creating a better understanding between the various races and religious groups who comprise your listening audience.

"The Federal Council of Churches, representing approximately 143,000 churches in the United States, feels that the time is at hand for a constructive campaign of tolerance and understanding, lest the spread of intolerance by hate-mongers both at home and abroad, sweep over the country as it has elsewhere.

"From its knowledge of past history, this national church body knows that the germs of intolerance cannot easily be controlled once let loose; that anti-sectarianism and anti-racial propaganda weakens both religion and the liberties of our country by divisive tactics of propagandists attempting to arouse Americans against themselves.

"We have had the opportunity of examining the material upon which the Council's new effort for tolerance will be made. It is factual and impartial. It is informative and it is 'good' radio. It is material which men of good will in all faiths will welcome. And it is vitally important that this message, educational in scope and patriotic in purpose, be gotten across now.

"The Federal Council of Churches has again turned to radio to do this job. It feels that no other medium of communication can reach the minds and hearts of men so effectively. I feel sure that all stations will wish to take part in this important, worthwhile project. Its spokesmen will no doubt be outstanding clergymen in each city. Certainly there is no greater public service a station can render than to give its facilities to bring its listeners closer together in the bonds of understanding, based upon truth and fact. This, to me, is one of the root-principles of the American system of broadcasting."

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TEMPORARY TELEVISION LICENSES ISSUED EIGHT STATIONS

While deliberating its future policy regarding television, the Federal Communications Commission this week issued temporary licenses to eight television stations, the permits to expire on March 1. The stations are: W9XAL, Kansas City, Mo.; W1XG, Boston; W9XG, W. Lafayette, Ind.; W2XDR, Long Island City; W3XAD, Portable (Camden, N.J.), W3XEP, Camden, N. J.; W9XK, Iowa City, Ia.; W9XUI, Iowa City, Ia.

At the same time it renewed the licenses of nine other television stations for the regular period. They are:
W2XAB, New York City; W2XVT, Passaic, N.J.; W2XH, Schenectady, N.Y.; W6XAO, Los Angeles; W2XBS, New York City; W2XBT, New York City; W2XAE, Philadelphia; W3XP, Philadelphia, and W9XZV, Chicago.

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FCC REFUSES PERMIT FOR BURGLAR ALARM BROADCASTS

A novel experiment to determine whether or not the broadcasting of fire and burglar alarm signals would be successful commercially was halted this week when the Federal Communications Commission refused to grant a permit for its operation.

Harry Jackson, a junk dealer, of Harrisburg, Pa., outlined the scheme and asked for a general experimental license.

"The applicant has developed an automatic burglar and fire alarm device which is set in motion by an unauthorized entry in or a fire at the place where the equipment is installed", the FCC reported. "The applicant's present system operates so that the weight of an intruder springs a trap. The trap sets in motion the machinery, which causes a metal cage to spring up, enclose, and hold the unauthorized entrant until removed by law enforcement authorities, and at the same time place in operation the local alarm. Associated with this equipment is a pre-cut record, reproducer, amplifier, and one or more loud speakers. The voice message transcribed on the record consists of the address of the installation and such additional information as the applicant deems necessary to attract the attention of the persons within hearing distance of the loud speakers. . . . . .

"It is the purpose of the applicant to develop the alarm system, together with the prospective automatic radio features, so that the signals can be picked up by receivers on mobile units. The results of the contemplated experiments are expected to provide the applicant with a means of determining whether there will be any benefits derived by commercializing the proposition."

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PRESS WIRELESS INQUIRY DROPPED BY FCC

The Federal Communications Commission has dismissed proceedings of investigation of charges, practices, classifications, and regulations of Press Wireless, Inc., for and in connection with multiple address public press services to outlying territories and possessions of the United States. The basis upon which the investigation and hearing were instituted have been satisfactorily removed by voluntary action of Press Wireless.

A new tariff, which became effective September 1, is applicable alike to points in outlying territories and possessions of the United States and to points within the continental United States and Canada, and eliminates the provision restricting the reception of Press Wireless transmissions to receiving stations operated or directed by the company in localities in which the company operated or directed a receiving station.

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NEW STATION AUTHORIZED TO OFFER COMPETITION

The Federal Communications Commission this week granted a construction permit for a new broadcasting station to the Presque Isle Broadcasting Co., Erie, Pa., and pointed out in its decision that the outlet would provide competition with Station WLEU, of Erie.

"A second broadcasting station located in Erie would compete with Station WLEU for the patronage of advertisers and for listening audiences", the FCC stated. "The competition between two local broadcasting stations would be expected to result in improvements in the program service of each and corresponding benefits would thus be received by members of the listening public. It is apparent that such competition will promote the public interest."

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ARMY CHIEF PROPOSES RADIO AIR WARNING CIRCUIT

Gen. George C. Marshall, Army Chief of Staff, told a secret House Military Committee session this week that the War Department wants to set up a radio warning net to guard against air attack, if additional funds are allowed by Congress.

Members revealed that the Army Chief listed $12,000,000 for an air raid warning net among the most pressing needs. An additional $28,000,000 is required to equip completely troops now in service, he told the group.

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BBC SENDS SPECIAL PROGRAM TO B.E.F.

A special service of programs for the British Expeditionary Force and other Forces serving on land and sea outside Great Britain was introduced recently by the British Broadcasting Corporation. Though the programs of the new service are chiefly drawn from those of the BBC's Home Service, different items, to the extent of an hour or two each night, are broadcast when the Home Service programs consist of items unsuitable for active-service listening. At such times listeners tuned in on 342.1 metres hear dance music, theatre organ, Variety, light music, sporting broadcasts, and the like.

The new transmissions are an experiment. If the service succeeds, the BBC hopes to present the troops with something much more complete in the way of a daily program.

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TRADE NOTES

The Committee on Merchant Marine and Fisheries this week reported to the House favorably a bill to extend the time for filing the report of the Federal Communications Commission on the Great Lakes survey until "as soon as practicable but not later than January 1, 1941". The present law set a time limit as December 31, 1939, but the FCC asked an extension last December.

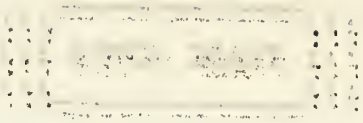
World radio market series of the Department of Commerce issued this week included reports on Madagascar, St. Pierre-Miquelon, Peru and Australia (supplement - regulations).

The National Labor Relations Board has announced the certification of the American Federation of Labor's radio broadcast technicians and engineers union of the International Brotherhood of Electrical Workers as the sole collective bargaining agency for broadcasting operators, engineers and technicians of the Interstate Broadcasting Company, Inc., of New York City. The action was the result of a secret ballot election on Jan. 8 which produced three votes for the chosen union, no votes for the C.I.O's American Communications Association and two votes in favor of neither organization.

Appointment of Patrick Dolan as Sales Promotion Director of Columbia Recording Corporation was announced this week by Edward Wallerstein, President. In August, Mr. Dolan joined the Publicity Department of the Columbia Broadcasting System. In his new post with the CBS subsidiary, his office will be at the record company's plant in Bridgeport, Conn.

The Federal Communications Commission has under consideration regular rules for operation of ship and coastal harbor telephone stations on the Great Lakes to supplant the temporary rules which expired February 1. The proposed new rules will be acted upon by the Commission before the opening of the regular navigation season.

School executives of every State have been invited to participate in a national conference called by Sterlin Fisher, Director of Education of the Columbia Broadcasting System, for Saturday, February 24, in St. Louis. Chief item of business at the conference will be consideration of a proposal to adopt Columbia's American School of the Air broadcasts as part of regular classroom studies in every State.



The Federal Communications Commission has granted application of Globe Wireless, Ltd., for construction permit for a new radiotelegraph station at Portland, Ore., and has renewed the licenses of its 11 stations at Woodcliffe Lake, New Jersey, all with the condition that they be used for transpacific communication and not for domestic service. At the same time, the Commission granted extension, on a temporary basis, to not later than May 1, of Globe Wireless's 34 point-to-point radiotelegraph stations, subject to final determination of the Commission in its January 4 proposed modification of said licenses and by its order of January 24 for hearing on same.

The Philco Radio & Television Corporation has dispatched by air express a complete set of replacement tubes to Pitcairn Island in the South Pacific Ocean for the radio receiving set which at present is their only means of communication with the outside world. The shipment was made as a result of an urgent plea in a letter from Mrs. Edna Young, wife of David A. Young, descendant of Christian Young, one of the mutineers of the "H.M.S. Bounty" more than 150 years ago. The letter, dated November 24, 1939, and sent via New Zealand, was received in Philco headquarters in North Philadelphia after more than two months in transit.

Normal service was restored last Thursday night by the Mackay Radio and Telegraph Company, following settlement of a dispute between the company and the American Communications Association, a C.I.O. affiliate. About 360 radio and telegraph operators and clerks were involved in the labor dispute, which centered around wages and working conditions. Admiral Luke McNamee, President of the Mackay organization, said all the differences between the company and its employees had been settled "satisfactorily", but no details were made public.

Telephone operating subsidiaries of the International Telephone and Telegraph Corporation in nine countries have reported an aggregate net gain of 72,000 telephones for 1939. This compares with a gain of 76,000 in 1938, the largest in their history, and of 53,000 in 1937. Their net increase for December, 1939, is a new peak for that month at 9,655 telephones compared with the 8,884 added in December, 1938. I. T. & T. officials estimate that the volume of toll and long distance calls completed by these companies in 1939 has been nine percent greater than in 1938 when 27,600,000 calls were handled. The I.T. & T. telephone companies were serving at the end of the year approximately 838,000 telephones in Argentina, Brazil, Chile, Cuba, Mexico, Peru, Puerto Rico, Rumania and Shanghai, China.

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RADIO TIME SALES UP 14%, YEARBOOK SHOWS

Gross "time sales" by broadcasting stations and networks of the United States during 1939 amounted to an estimated $171,113,813, an increase of 14% over the preceding year, according to the 1940 Yearbook of Broadcasting Magazine, trade journal of the broadcasting industry, published this week.

The actual dollar volume or net income for the year, however, amounted to an estimated $130,800,000 after deduction of cash and frequency discounts but not deducting agency commissions. This was 12% above the 1938 figure.

Of the $171,113,813 gross, the survey shows that $83,113,813, or 48.5%, represented time sales by the three major network organizations -- National Broadcasting Co., with two networks, Columbia Broadcasting System and Mutual Broadcasting System. Local time sales were estimated at $46,000,000, or 27% of the total, and national and regional non-network (spot) time sales at $42,000,000, or 24.5% of the total.

The Broadcasting Yearbook is a 446-page volume, listing all United States and Canadian broadcasting stations by States, call letters and wave lengths, and showing the executive personnel, news and sports commentators, equipment, etc. of each station. It discloses that there were exactly 814 stations in the United States and 90 in Canada in operation or authorized for construction as of Jan. 1, 1940. Of these, 56 had been authorized during 1939, and the data on these is listed in detail.

Listing the stations in the United States and Canada, the Yearbook discloses that 269 in the United States and 26 in Canada were owned in whole or part by newspaper or other publishing interests, or were under options to be sold to such interests, as of Jan. 15, 1940. This compares with 238 at the beginning of 1939.

All but 54 of the country's radio stations are privately owned and all but 36 derive their supporting revenues from the sale of advertising time. The Yearbook lists 36 broadcast stations owned by educational institutions, of which 12 sell time; 12 owned by churches or other religious institutions, of which one sells time, and six owned by State or municipal groups, of which five sell time.

It is estimated in the Yearbook that 45,200,000 radio sets are in use in 28,700,000 homes in the United States, including 6,500,000 auto radios, and that 9,000,000 sets to the value of $289,000,000 were sold during 1939.

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NEW RCA TELEVISION RADIO RELAY SYSTEM DECLARED READY

Development of the radio relay method of transmitting television signals between cities has been advanced by RCA Laboratories to the point where it is technically ready for the first stop of application in a public service, the Radio Corporation of America announced this week, as plans were being made to receive members of the Federal Communications Commission in New York on their television inspection tour which began yesterday (Thursday).

This new development, different from any other system so far devised, makes possible the establishment of inter-city television networks similar in effect to the wire networks of sound broadcasting, RCA said. It is feasible, according to RCA engineers, to set up a radio relay system for television linking New York City, for example, with the nation's capital, Washington, D.C., and with Boston,,Mass., and other intermediate cities. Similar radio relay networks could be established in other sections of the country.

Even such a limited network could make television programs immediately available to approximately 20,000,000 persons, or, roughly, one-sixth of the nation's population, it was estimated. Programs could originate as well as be received at any city which is part of the radio relay system.

In announcing the readiness of the radio relay system for television transmissions, RCA executives reiterated their belief that "television is here". They base this belief on evidence obtained in nine months of operating a regular television program service in the New York metropolitan area. The evidence shows definite public acceptance of the all-electronic system of television as operated on standards formulated by the Television Committee of the Radio Manufacturers' Association, composed of the most capable television engineers in the radio industry.

RCA has had an experimental radio relay system in test operation for nearly a year between the National Broadcasting Company's Empire State Building transmitter and Riverhead, L.I. The relay points are located at Hauppague, 45 miles from the Empire State Building, and at Rocky Point, 15 miles from Hauppague. The Rocky Point station boost the signal another 15 miles to Riverhead.

Each relay station contains both receiving and transmitting devices, and is mounted on a 100-foot steel tower. The antennas are of the parabolic type necessary for the highly directional, or beam-like, transmission, which the system uses. The power required for operation is 10 watts or less. The distance between each relay point, in practical operation, would vary according to the terrain. The average distance would probably work out at approximately 30 miles. The station operates unattended. The receiver is on at all times, and when a control signal is transmitted from a terminal point the relay receiver picks it up and delivers it to the companion transmitter. This action is repeated at each relay point until the circuit is in full operation. The frequency used is approximately 500,000 kilocycles.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT RECEIVED FEB 7 1940

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No. 1206

February 6, 1940

INDUSTRY STARTS TELEVISION PROBE AS FCC RETURNS

Further investigations of the practical possibilities of television have been undertaken by the radio industry, it was learned, as the members of the Federal Communications Commission returned to Washington Tuesday after a tour of Eastern laboratories.

The Commissioners declined to comment on the trip or to predict what step will next be taken by the Commission, but a spokesman of the FCC described the tour as "very interesting".

The Board of Directors of the Radio Manufacturers' Association is scheduled to meet in New York City on Thursday at which time the industry will determine its next action on both television and frequency modulation.

The FCC appeared to be waiting for the radio manufacturers to make the next move with regard to television. As Chairman James L. Fly had suggested that the leading manufacturers engaged in television experiments set up a committee to make a new examination of the practical possibilities of the art, the RMA Television Committee, or a new group, may be designated to conduct the new inquiry.

Among the television demonstrations witnessed by the FCC on the Eastern tour were network transmission by General Electric in Schenectady, experiments in color television at the RCA laboratories at Camden, N.J., and the new developments of the Allen B. Dumont Laboratories at Passaic, N. J.

A television receiver that will sell for $100 plus $49.50 for an aerial was shown to the Commission by the Cath-Ray Electronic Laboratories at New York.

The Philco Radio & Television Corporation in Philadelphia exhibited an interior revolving aerial which appeared to have advantages over the conventional outdoor aerial.

The Commission went about 20 miles outside of Philadelphia to receive simultaneous transmission by Philco and Columbia but reported that the reception was "jumbled".

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INDUSTRY WAITS ANXIOUSLY FOR FCC MONOPOLY REPORT

With a preliminary report based on the monopoly inquiry due any day, broadcasters, particularly in the network field, are anxiously awaiting the recommendations to be made to the Federal Communications Commission by its Committee. The report is expected to be released sometime this month.

More drastic supervision of the industry and control of contractural relations between radio stations and the chains were expected to be recommended. The report, however, must be adopted by the full Commission before it becomes effective.

A staff of the FCC has been working on the report almost a year following prolonged hearings which began in the Fall of 1938 and extended into the Spring of 1939. The first factual report was submitted to the Monopoly Committee several weeks ago. The Committee, comprising Commissioners Brown, as Acting Chairman, Walker and Thompson, has considered the report in preliminary fashion but will give it a final review before passing it on to the full Commission for consideration and action.

One report was that Commissioners Walker and Thompson are inclined toward drastic recommendations looking in the direction of realignment of regulation as it affects networks, both through recommendations for new legislation and through introduction of new regulatory policies.

Through making contract approval a condition for obtaining a right to use the air for broadcasting, some members of the FCC hope to obtain control over the chain broadcasting systems without the necessity of obtaining legislation, it is said. If the plan is put into effect, it may have a far reaching effect on distribution of chain programs, as it would give the Commission authority, if not successfully contested, to say how many hours would be given for day and night use for the chain programs.

While considerable testimony was taken on the matter of chain contracts and their effect in preventing local programs from getting on the air during the most valuable hours in the evening, a supplemental inquiry into control was instituted when one of the chains obtained exclusive rights to broadcast the baseball World Series. It was alleged that when it attempted to sell this feature to stations of other chains which had been blocked out from the broadcast, the individual stations were prevented from taking it because of alleged threats of the chains with which they were affiliated to abrogate their contracts.

Some members of the Commission believe chain contracts prevent stations from giving time for local problems, and it was pointed out that in the case of an epidemic, when local health authorities might want some of the best time to acquaint citizens with methods for stemming it, it could not be obtained because of contractural relations with the chains.

It was the contention in the Commission when the last World Series broadcast was obtained by one chain, that this was matter in which a great many people were interested and that contractural relations should not have prevented a station, willing to purchase it, from using it simply because of its contract with another chain.

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NAB REPORTS MUSIC PROJECT SUCCEEDING

Broadcast Music, Inc., has passed the $1,000,000 mark, according to NAB President, Neville Miller, who made the following statement last week:

"The Board of Directors of Broadcast Music met in New York on Tuesday, January 30. The response from the stations had been so encouraging that we decided to make a special effort to secure contracts from the remaining stations and start operation at the earliest possible date. Therefore, the Board will meet again the middle of next week and it is hoped that by then we shall have received sufficient additional checks and contracts to justify immediately declaring Broadcast Music, Inc., a going concern.

"We have passed the million dollar mark and are on our way to the million and a half mark. With the money in sight, it is extremely important that we save all the time possible and get under way at once."

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SENATE ALLOWS FUND TO TRAP SPIES

The Senate Appropriations Committee, told that any foreign spy could broadcast trans-Atlantic messages with a radio built from dime store parts, recommended last week that the Federal Communications Commission be granted an increase of $238,165 over current appropriations for checking on unauthorized broadcasts.

The House had voted a $278,165 increase for next year, but in its final report the Senate Committee cut the item by $40,000. That amount was to have been spent on the construction of a new listening station near Anchorage, Alaska. The Commission's total appropriation as it passed the House was for $2,116,340 and as reported by the Senate Committee is $2,076,340.

Chairman James L. Fly of the Communications Commission, explaining to the Committee why the FCC maintained listening stations to check up on the activities of amateur and other operators, said there was "extreme difficulty in avoiding espionage work by the use of high frequencies".

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AMATEUR REQUESTS OFTEN SENTIMENTAL

Receipt by the Federal Communications Commission of some 400 cards asking that the call signal of a certain amateur radio station be never again issued but be preserved in inactive status as a memorium to its late holder, focuses attention to a recurring incident in amateur annals.

The Commission's files bulge with more or less similar requests. In addition to petitions for non-assignment or non-reassignment, there are requests for transfer of a call from friend to friend, husband to wife, father to son, etc.; also supplications for calls to match names, nick-names, initials or other assorted abbreviations, and, above all, expressed desire for "two-letter calls", pride of the old timers. One file contains some sixty pieces of correspondence with a single "ham" persistently trying to get one particular call.

Though appreciating the intense interest and enthusiasm on the part of the radio amateur, the Commission feels obliged to say "No" to most of these requests. The Commission is guided in this respect by its rules and regulations, which are fairly applicable to all and preclude individual favoritism. The only assignments in the nature of exceptions are those provided for in the rules themselves.

However, for many years it has been the practice not to reassign amateur calls to others so long as the alphabet permits allocation of new calls to stations. This tends to avoid confusion of records and mailing lists, as well as giving each amateur a distinctive call.

Under present rules, a vacatedcall is kept unused for a period of five years before it is subject to request from any one but the latest holder, and then it can only be requested by a previous holder. In other words, reassignment of a call is limited to previous holders of that particular call.

The Commission is obliged to avoid making promises in connection with amateur calls. The reason for this is that it is impossible to foresee what changes may be necessitated by future events.

It must be remembered that calls are assigned for the purpose of identifying the station rather than the operator, though the amateur likes to regard the call as a personal identification, often times using it on his correspondence, as a marker for his automobile, etc. There is nothing to prevent this practice, and gravestones even have been marked with beloved call signals.

Perhaps the outstanding example of a deceased's call signal being perpetuated is the case of W1AW. It was for many years assigned to Hiram Percy Maxim, the inventor, and remains as a tribute to his memory as the identifying call of the West Hartford, Conn., headquarters station of the organization which he founded - The American Radio Relay League.

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SENATOR JOHNSON AMENDS LIQUOR AD BAN BILL

An amendment which broadcasters describe as "worse than the first" was introduced in the Senate last week by Senator Johnson (D.), of Colorado, to his bill (S. 517) designed to prohibit the advertising of alcoholic beverages by radio.

The proposed bill is much more drastic than the bill reported by the Committee on Interstate Commerce in its effect on broadcasters. It broadens the prohibition on broadcasters and advertisers and further prohibits "any advertisement of, or information concerning, . . . any person engaged in the business of manufacturing or selling any alcoholic beverages, if the purpose of such advertisement or information is to induce the purchase or use of any alcoholic beverage". Subsection (d) would make station licenses conditioned upon compliance with the provisions of subsection (a); it provides that if the Federal Communications Commission "finds that any licensee has wilfully violated any provision under subsection (a), the Commission shall have the same power to revoke such license as it has to revoke licenses for violation of, or failure to observe any of the restrictions and conditions imposed by the Communications Act of 1934 as amended."

S.517 is on the Senate calendar and might come up at any time under unanimous consent. Senator Johnson is expected to offer his proposed amendment when the bill is called up for consideration.

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REDUCTION IN COPYRIGHT DAMAGE FOR HOTELS URGED

A bill designed to reduce the amount of damages allowed for infringement of copyright of musical compositions in certain hotels and other places of amusements was introduced in the House last week by Representative O'Brien (R.), of New York.

It proposes to amend Section 25 (b) of the 1909 Copyright Act by inserting before the period at the end of the first sentence thereof a comma and the following: "except that the damages for infringement of copyright of musical compositions played in hotels or restaurants when on entrance fee is charged, or cover or its equivalent charge made, shall not exceed $10 for each performance, unless greater damages are shown".

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RADIO AND PRESS GET TOGETHER IN CALIFORNIA

An example of cooperation with mutual benefits of radio and press is described in an article in the January issue of "California" by Kay Barr.

"Press and radio being two of themost powerful influences of modern life, it was with genuine satisfaction and pleasure that residents of San Francisco and the Bay area learned of the friendly relationships recently established between Al Nelson, manager of KGO and KPO, with the San Francisco Chronicle and the San Francisco News", the article says.

"Several outstanding programs have already grown out of this wholesome cooperation, starting with the Chronicle Election Night Party. Then came the News Christmas Eve Community Sing and the series, 'The City of St. Francis', now in progress under the auspices of the Chronicle. These constitute an index of Nelson's determination that KGO and KPO shall be of the greatest possible service to the community and all worthwhile civic efforts.

"Other plans are just over the hill, and with the momentum now generated there is no doubt of their being carried out. For instance, the climax of the 'City of St. Francis' series will come with a two-and-a-half-hour show, open to the public in the Civic Auditorium, Friday evening, January 26.

"Other cities have had radio programs exploiting the advantages and opportunities, the industrial, educational and cultural growth of their communities. But never in the history of radio has there been such a serial as the dramatic pageant of history, 'The City of St. Francis', with its fourteen gripping broadcasts all based on fact.

"And by the time a leading metropolitan newspaper and the two National Broadcasting Company stations join in a record-breaking public program, millions of listeners will not only have a better knowledge of San Francisco history, but they will know the city is headed for even greater progress in the future than it has enjoyed in the past. . . . . .

"Hundreds of favorable comments regarding the series have been received from all points of the compass. The programs are being heard and enjoyed in Los Angeles, Honolulu, Alaska, as far east as Colorado, and at all intermediate points. Teachers, historians, authors, members of patriotic and historical societies, of PTA groups, and many other individuals and organizations have expressed their enthusiastic approval and the hope that more programs of the same constructive nature will be broadcast.

"All of which is so highly gratifying to Nelson and to Paul Smith, General Manager of the Chronicle, that the entire series is being recorded and will be reproduced some time this Spring, probably at hours when school children may hear them in their classrooms. . . . . .

"Meantime, all San Francisco is congratulating KGO, KPO, the Chronicle, and the News for joining hands in cooperative plans that will be for their mutual benefit and of tremendous civic service to the communities they all serve.

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COUGHLIN SILENCE PUZZLES THE COMMISSIONERS

Although in New York City over last week-end when the Rev. Charles E. Coughlin, Detroit radio priest, failed to make his customary Sunday radio talk, members of the Federal Communications Commission professed as much ignorance as the average listener of the reason for the cancellation.

A cryptic comment from the radio announcer - "Probably events transpiring this week will enlighten you" - was the only suggestion to listeners that Father Coughlin might have had an extraordinary reason for remaining off the air.

For months, since organization of a new network of stations to broadcast his speeches, Father Coughlin has appeared regularly on Sundays, and officials of the chain outlet, WJR-Detroit, expressed surprise at his absence.

The announcer, advising hearers to "pay no heed to idle rumors which will be circulated this week", said:

"Be assured Father Coughlin knows what he is doing. He knows why neither he nor any other person is speaking over this microphone today."

The rectory of the Shrine of the Little Flower, Father Coughlin's church in Royal Oak, Mich., where he delivers the radio talks, could shed no light on the question.

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The Office of the American Commercial Attache, Rio de Janeiro, reports that the State of Sao Paulo has just contracted for the purchase of a two-way police patrol system for the city of Sao Paulo. The equipment, which is of American origin, is the first installation of its kind in this country. The sets will arrive in the near future.

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TRADE NOTES

Under the title, "The War of Lies and Laughs", J. C. Furnas in the February 3 issue of the Saturday Evening Post reports the word battle under way among belligerent short-wave radio stations abroad.

The Columbia Broadcasting System inaugurated a series of lectures by the General Engineering Department for CBS employees this week when A. B. Chamberlain, Chief Engineer, addressed his co-workers on the topic: "The Organization, Functions and Duties of the CBS Engineering Department". The informal series is an expansion of the weekly lectures presented in the Spring of 1939 principally to technical employees.

When WOR's new frequency modulation station, W2XOR, begins operation in the New York area next month, it will relay Mutual network programs almost exclusively. In this fashion listeners will be able to hear many broadcasts which are not being aired over WOR due to local commercial commitments, this providing a wider array of radio entertainment via the two stations.

Gross billings for time on the Columbia Network - after deductions for network and individual station cancellations, but prior to deductions for agency commissions and the time discounts to sponsors -- totaled $3,588,989 during January, 1940.

Gross network revenue for the NBC networks for January 1940 reached an all-time high in the history of the company, totaling $4,405,208 - an increase of 9.2% over January 1939 and 2.9% over December 1939.

In order to provide a proper comparison with the corresponding month of last year for each network - NBC's total revenue for January 1939 has also been broken down on a new basis.

The comparisons are as follows:

	January 1939	January 1940	Increase
Red	3,211,161	3,496,393	8.9%
Blue	822,739	908,815	10.5%
Total NBC	4,033,900	4,405,208	9.2%

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G.E. DEMONSTRATES NETWORK TELEVISION

Network television was demonstrated to Federal Communications Commission members in Schenectady last Thursday by General Electric engineers. The first demonstration of its kind in history, in which a program transmitted from New York was clearly received in Schenectady homes, 142 air line miles away, was made possible by the use of General Electric's new relay station working in conjunction with its main transmitter atop the Helderberg Mountains.

Although telecast programs had been received at the Helderberg relay station before in tests, it was the first time that such programs were rebroadcast for the entertainment of persons in the area served by the local station. Both image and voice were reported excellent, equally as good as programs originating in the Schenectady studio, thus proving to the Commission that network television is possible. So far as known, this was the first time a television program has actually been rebroadcast over any such distance and from a point more than a mile below the line of sight.

Members of the Commission who viewed the demonstration were Chairman James L. Fly, Commissioners Paul A. Walker and Thad H. Brown, and Secretary T. J. Slowie. With them were Dr. L. P. Wheeler, W. H. Bauer and G. O. Gillingham of their staff. Among those in the General Electric group accompanying the Commissioners on their tour of inspection of General Electric's television facilities were Dr. W. R. G. Baker, Manager of Radio and Television; Chester H. Lang, Manager of Broadcasting and Advertising; Dr. E. F. W. Alexanderson, radio expert and scientist; C. A. Priest, Chief Transmitter Engineer, and W. J. Purcell, engineer of broadcast station WGY.

By the use of the new relaying equipment, located 1.2 miles from the main transmitter atop the Helderberg Mountains, 12 miles from Schenectady, television broadcasts from New York City will become available to Capital District residents within the range of the company's station W2XB.

The programs transmitted from New York City are received at the relay station on the 44-50 megacycle band by means of a rhombic antenna that resembles two diamonds placed end to end and supported by four 128-foot towers. The programs then pass through an amplifier, a part of the antenna structure, that increases the signal strength about 20 times before entering a wire line leading to the relay receiving station located beneath the antenna. Here the radio signals from New York are changed to sound and picture signals.

By means of a low-power 10-watt transmitter the picture part of the programs is then relayed on a carrier wave of 156-162 megacycles from a small transmitting antenna to the main Helderberg station. This transmitter is similar to the diamond-shaped one used to pick up the programs from New York but is only 10 feet across as compared with the 400 feet of the receiving antenna.

At the main transmitter a dipole antenna picks up the picture part of the relayed program and feeds it to the transmitter where the frequency is converted to the 66-72 megacycle level and amplified to 10 kilowatts.

The sound part of the program is relayed from the receiving station to the main transmitter by wire line. There it modulates a standard 10-kilowatt ultra-high-frequency transmitter, and the programs are then broadcast from two antennas above the transmitter to listeners in the Capital District.

The relay station is located 129 air line miles from New York City and stands 1,700 feet above sea level, with the rhombic antenna 128 feet above. The main transmitter is at an altitude of 1520 feet with 60-foot antennas above.

General Electric's television transmitter has been operating experimentally with programs every Monday night for several weeks. Now with the relay station in operation, permitting NBC programs to be added to the local station's programs, it is expected the new local station will soon be officially opened. However, no definite date has yet been set.

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PHELAN HEADS REORGANIZED POSTAL COMPANY

Frank W. Phelan has been elected President of the three newly organized companies which were formed in connection with the reorganization of the Postal Telegraph and Cable Corporation last week. The new companies are: All America Corp., which includes All America Cables and Radio, Inc., and Radiar, a radiotelegraph company in Argentina; Commercial Mackay Corp. which includes the Commercial Cable Company, the Mackay Radio and Telegraph Companies of California and Delaware, the Federal Telegraph Company of Newark, N.J. and an interest in the Commercial Pacific Cable Company; and the American Cable & Radio Corp. which holds all the equity in the first two corporations.

The other officers elected by the Directors to serve the three companies are: John L. Merrill as Chairman of the Board, Kenneth E. Stockton, Chairman of the Executive Committee, and Wolcott H. Pitkin, Vice President.

Mr. Phelan and Mr. Merrill are President and Chairman of the Board respectively of All America Cables and Radio, Inc. and have been the two outstanding personalities in developing communication service between the Americas for the past 30 years. Mr. Stockton and Mr. Pitkin are Vice Presidents of the International Telephone and Telegraph Corporation.

Mark A. Sunstrom, Comptroller of the I.T.&T., was elected Comptroller of American Cable & Radio Corp. and John W. Lair was elected Comptroller of All America Corp. and Commercial Mackay Corp. Howard L. Kern was elected General Attorney and Samuel G. Ordway, Secretary and Treasurer. Other officers chosen are: C. R. McPherson, J. A. Redegeld, J. J. Brosnan, E. H. Dufau, A. A. Gray, V. J. Slattery and E. J. Vogel.

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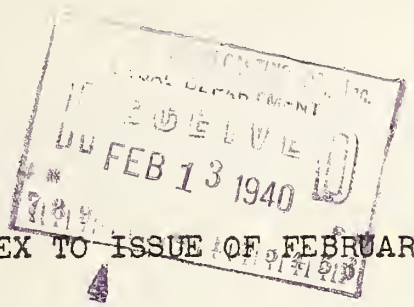
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



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No. 1207

FCC CRACKS DOWN ON STATIONS IN NEW CAMPAIGN

With an abruptness that startled the radio industry, the Federal Communications Commission this week cracked down on a network sponsor and five Texas licensees for alleged violations of the Communications Act or FCC regulations.

The revocation of the Texas station licenses was the most drastic action taken by the Commission in years. It followed the revocation of the license of Station KUMA, of Yuma, Ariz., as of February 1st. Other revocations are expected to follow as a result of investigations now underway.

"The Pot o' Gold" program was cited to the Justice Department by the FCC in its first move in response to complaints that the lottery clause of the Communications Act was being violated by several program sponsors.

The attention of the House was called to "The Pot o' Gold" program recently by Representative Tenerowicz (D.), of Michigan, who had received complaints from motion picture theatre owners in his district.

"The Pot o' Gold" program, sponsored by Tums over an NBC network, gave away $1,000 to the lucky listener who happened to answer a telephone call from the program's conductor. The name was selected at random anywhere in the United States.

The FCC also transmitted to the Department of Justice the facts concerning a program advertising Mead's Bakery, recently broadcast by Stations KWFT and KBST at Wichita Falls and Big Springs, Texas, respectively.

The Commission explained it had received complaints that these programs, which involve gifts of money by chance, violate Section 316 of the Communications Act which prohibits the broadcasting of ". . . any advertisement, or information concerning any lottery, gift enterprise, or similar scheme . . ."

In turning these cases over to the Department of Justice for such action as that department deems necessary and warranted, the Commission offered any cooperative assistance desired, an FCC statement explained.

The orders of revocation were directed at Stations KSAM, Huntsville; KAND, Corsicana; KRBA, Lufkin; KTBC, Austin, and KNET, Palestine, all of Texas. They are effective February 24.

The order resulted from investigation instigated January 26, of undisclosed interests of Dr. James G. Ulmer and Roy G. Terry in the stations mentioned, it was said.

It is indicated that original construction permits and licenses for these stations were issued by the Commission upon false and fraudulent statements and representations and because of the failure of the applicants to make full disclosure to the Commission concerning the financing of station construction and operation, as well as the ownership, management and control thereof, in violation of the law, and that, had the actual facts in this connection been made known to the Commission, it would have been warranted in refusing to license these stations.

KSAM is licensed by the Sam Houston Broadcasting Association, H. G. Webster, President, and operates on 1500 kilocycles with 250 watts, daytime; KAND is licensed by the Navarro Broadcasting Association, J. C. West, President, and operates on 1310 kilocycles with 100 watts, unlimited time; KRBA is licensed by the Red Lands Broadcasting Association, Ben T. Wilson, President, and operates on 1310 kilocycles with 250 watts, daytime; KTBC is licensed by the State Capitol Broadcasting Association, Inc., and operates on 1120 kilocycles with 1 KW, specified hours (D-WTAW), and KNET is licensed by John Calvin Welch, William M. Keller and Bonner Frizell as the Palestine Broadcasting Association, and operates on 1420 kilocycles with 100 watts, daytime.

The licensees have 15 days in which to ask hearing, in which case the revocation order will be stayed pending the outcome of the hearing.

The FCC also has set for hearings the renewal applications of eight stations operating on clear channels in connection with its inquiry into management contracts to determine whether licensees actually control the stations in their name or whether they are dummies.

The Commission recently held a hearing in the case of Station WSAL, Salisbury, Md., wherein it was alleged in the revocation order that control has passed to a mortgagee.

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STATION WMCA GIVEN POWER BOOST TO 5 KW

Station WMCA, New York, this week was granted an increase in transmission power from 1 KW to 5 KW, to become effective after the transmitter is moved from Flushing, Long Island, to Kearney, N.J., and new equipment is installed.

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FREQUENCY MODULATION HEARING OFF UNTIL MARCH 18

The Federal Communications Commission on Friday postponed the frequency modulation hearing from February 28 until March 18 on the request of "F.M." proponents who asked that they be allowed more time to prepare their case.

While Prof. Edwin H. Armstrong, Columbia University teacher and developer of the new transmission system, had suggested to the FCC that it postpone a decision in television regulation until after hearing the "F.M." case, officials at the Commission indicated that the FCC is trying to reach a decision on television as soon as possible.

It was suggested that frequency modulation opens up such a revolutionary field of radio transmission that television could not wait until it has had an adequate test.

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FCC STUDYING PLAN TO MERGE RADIO AND CABLES

Consolidation of cable and point-to-point radio telegraph systems between the United States and foreign countries is strongly urged in a report which the Federal Communications Commission is studying.

This report, the second phase of a wire communications study for a Senate Interstate Commerce Sub-Committee, headed by Senator Burton K. Wheeler, is expected to develop considerable difference of opinion among the members of the Commission.

The proposal also is said to have been opposed by the Navy Department.

While those who have studied the first report sent to Senator Wheeler on the proposed domestic wire merger point out that it is a move in the direction of Government ownership, it has been indicated that discussions of the staff on the international systems have a more definite trend in that direction.

One argument for Government ownership of the international communication systems, and more particularly the radio telegraph, is that in making agreements for contact stations in foreign lands it would be better for two governments to negotiate rather than private corporations and a foreign government.

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HOUSE MOVES TO CURB POWERS OF FEDERAL AGENCIES

Close on the heels of a Supreme Court decision which had the effect of broadening the powers of the Federal Communications Commission, the House this week expedited a bill which would curb the authority of all independent Federal agencies, including the FCC.

Similar in purpose to the Logan bill, now before the Senate, the House bill has been reported favorably by the Judiciary Committee and given a "green light" by the Rules Committee. The legislation, like the Logan bill, is expected to encounter opposition from the Administration.

The House bill is understood to have been directed at the Labor Relations Board, but its provisions would make the decisions of all independent Federal agencies subject to court review.

The Judiciary Committee said in its report that there are approximately 130 different Federal agencies in the Government, and added:

"The law must provide that the Governors shall be governed and the regulators shall be regulated, if our present form of government is to endure.

"The phenomenon of the administrative officers and employees - the so-called bureaucracy - attempting to control all processes of government for their selfish ends is not new in either this country or in the history of the world."

The Logan bill was passed by the Senate last session but was called back for reconsideration as the result of protests by Senator Minton, (D.), of Indiana, and other administration supporters.

The House bill must await a decision of the leadership as to when it will be called up for action. Proponents predicted it would be taken up soon.

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MEET ANDY'S DAUGHTER

Cards have been received announcing the arrival of Miss Dorothy Alyce Correll, daughter of Mr. and Mrs. Charles James Correll. The happy event took place in Los Angeles, February 1st with everybody, including Mr. Andrew H. Brown, doing fine.

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HEARING SET ON GREAT LAKES RADIOTELEPHONE SERVICE

For the purpose of obtaining information to determine policy with respect to assignment of frequencies for commercial radiotelephone communication on the Great Lakes, the Federal Communications Commission has designated Commissioner Thad H. Brown to hold a hearing on March 4 at Cleveland, Ohio.

The problem, fundamental to future development of the service, is briefly, whether this service shall take the form of short distance communication between ship and shore, making full use of the land line telephone and telegraph systems, or long distance communication directly between ships and coastal stations at any point on the lakes.

The present rules of the Commission provide frequencies which are suitable only for the short distance communication. However, one of the pioneer companies is providing a longer range service through the use of certain frequencies now authorized to it on a temporary basis under a waiver of the rules.

The assignment of frequencies suitable for communication over longer distances involves a number of questions: for example, the general policy of limiting the use of radio frequencies to those services which cannot be adequately and satisfactorily performed by wire lines; the international agreement to limit the use of such frequencies to actual long-distance communication because of the interference that would result from their use for short or medium distance communication; probable interference resulting from the use of a few such frequencies by several coast stations; unavailability of a sufficient number of "long distance" frequencies, except by restricting their use for other services.

A determination of this basic question of policy is a material element in each of the applications now pending, either for renewal of license or for new license, for stations at Houghton, Mackinac Island, Manistee, Marine City, Rogers City, Wyandotte, Port Huron and Detroit, all in Michigan; Duluth, Minnesota; Port Washington, Wisconsin; Lake Bluff, Illinois; Lorain and West Dover, Ohio, and Buffalo, New York. In addition to these applicants, the question is of primary importance to shippers, steamship operators and others concerned by this rapidly expanding service.

Accordingly, the proceeding is brought on the Commission's own motion, and will be open to all persons having an interest in the outcome. They have 15 days in which to make request to be heard. The individual applications for station licenses will be heard on their merits following a decision in this matter.

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ELECTRICAL EXPORTS RISE FOR 1939

After lagging behind 1938 shipments for the first 10 months of 1939, exports of electrical equipment from the United States advanced rapidly during November and December to total $113,026,796 for the year compared with $111,546,789 for 1938, an increase of $1,480,007, or 1.3 percent.

Impetus for the increase was derived from the exceptionally large sales made during November and December, particularly the latter month when such sales reached the highest level in several years. The December exports of $11,930,924 advanced sharply over the already better-than-average sales of November which totaled $10,550,753 and also compared very favorably with the large volume of $10,697,076 recorded in December, 1938.

Few items showed any radical variations during the year, fluctuations having occurred both up and down within fairly narrow limits.

Radio receiving set components, rigid metal conduit, and telephone instruments were among other electrical items which established new monthly highs during December.

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GEORGIA GOVERNOR GETS NEW STATIONS PERMIT

The Federal Communications Commission this week granted a construction permit for a new broadcasting station to the Governor of Georgia, E. D. Rivers.

Governor Rivers, apparently acting in his private capacity, asked for a permit to operate with 100-250 watts on 1420 kc. at Valdosta, Ga. The town now has no broadcasting station.

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Some of the British Broadcasting Company's short wave programs, including those of America, were cut off for 45 minutes Wednesday night. It was stated officially the interruption was caused by a "technical fault". Home services were not interrupted.

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U.S. DOMINATES RADIO MARKET IN SOUTH INDIA

A considerably major portion of the trade in radios and accessories in the South Indian market is already monopolized by the United States, according to the American Consulate at Madras. Cheapness, coupled with quality, has rendered many an American radio very popular in the market.

"As a result of the war, German radios have been cut off the market", the report to the Commerce Department states. "German radios in general did not enjoy the wide sales in this area. The following were the chief makes: 'Telefunken', 'Mende', 'Centrum', and 'Saba'. Among these, 'Telefunken' was the latest to be introduced into this market and it is reported that this radio was making some headway in regard to sales.

"Supplies of the Netherlands 'Philips', popular and widely sold in the market, are reported not coming in since the outbreak of war. The same is the case with the British make 'Pye', though one shipment has come after undue delay. Many orders are still unfilled for both 'Philips' and 'Pye'. It is stated by local dealers that wireless firms in the United Kingdom are at present diverted to the manufacture of war supplies and hence it is apprehended that they may be obliged to give less attention to their foreign trade.

"For European and English radios and accessories an increase in price of about 25 to 30 percent has been recorded in the market, while for American makes 33-1/3 percent has been noted. The bigger increase in price for American makes is attributed to the unfavorable exchange situation consequent on the fall of the sterling to which the Indian rupee is linked.

"It is reported no immediate shortage is felt in the market for radios and accessories."

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Beginning Sunday, Feb. 18, Station WTOL, Toledo, O., will become affiliated with the National Broadcasting Company, bringing the number of affiliated stations at that time to a total of 183. WTOL is licensed to the Community Broadcasting Company, operating full time on 250 watts power on a frequency of 1200 kc. The station will be a supplementary outlet of the Basic Blue Network.

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SHORT-WAVE BROADCASTS PROMOTE FOREIGN TRADE

Foreign listeners to KEGI, General Electric's short-wave broadcasting station at San Francisco, like American merchandise. This is shown in many of the hundreds of letters received by KGEI which reveal that G-E's international broadcasts not only are building goodwill for the United States but also are directly promoting American foreign trade.

A letter just received from C. R. Halle, Pietermaritz-burg, Natal, South Africa, says, in part:

"I suppose you consider this place a part of darkest Africa belonging to Britain and leave it at that. Well, in reality it is darn near an American Colony. Just think this over:

"I have just come home in an American car, after seeing to the electricity supply from American transformers to American stoves and refrigerators. I listen on my American radio set to your American station KGEI and tonight I shall see a lot of Amer-ican films in a cinema outside which about 20,000 pounds worth of American cars will be parked. And so it goes on . . . not to mention the wife's American Kayser stockings, etc.

"Good luck to you and let's hope Hitler never parts us."

S. H. Thung, Sindanglaka Estate, Tjiandjoer, Java, Netherlands East Indies, writes, in part:

"Let me first convey my thanks and gratitude for the service extended by the General Electric Company for its KGEI broadcasts. For this service, I have tried to repay by buying a General Electric range and will soon replace my refrigerator with a General Electric one. This station has kept the name of General Electric continually in my mind."

General Electric owns and operates KGEI at San Francisco and WGEA-WGEO at Schenectady on a strict non-commercial basis, to build goodwill between the United States and other countries.

KGEI is the only American broadcasting station whose programs are regularly received in the Orient. The Oriental beam broadcasts are also received with utmost clarity in Australia, New Zealand and South Africa. The station also broadcasts daily to Latin America.

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STANDARD OIL SPONSORS FIGHT ON SHORT-WAVES

The Joe Louis-Arturo Godoy heavyweight championship fight at Madison Square Garden tonight (Friday, February 9th) will be broadcast to Latin America via National Broadcasting Company short wave service under the sponsorship of the Standard Oil Company of New Jersey and its affiliates in Latin America.

The affiliated companies participating in the broadcast are the West India Oil Co., Standard Oil of Cuba, Standard Oil of Brazil, and the Compagnia de Petrolio Lato.

The stations carrying the fight to Latin American listeners are WRCA and WNBI, both operating on a frequency of 9670 kilocycles and 31.02 meters.

The broadcast will mark the first time a fight has been presented on short wave radio under commercial sponsorship, the Standard Oil Co. of New Jersey being the second organization to avail itself of commercial broadcasting via shortwave. The first was the United Fruit Co., which assumed sponsorship of a quarter-hour evening news program in Spanish, as announced on Nov. 8, 1939.

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CBS, INC., EARNED $5,000,000 IN 1939

Consolidated net earnings of the Columbia Broadcasting System, Inc., approximated $5,001,500 in 1939, equivalent to $2.93 a share on 1,709,723 shares of $2.50 par value stock outstanding or to be outstanding upon completion of the exchange of the old $5 par value stock, according to a statement issued this week.

In the preceding year, consolidated net earnings amounted to $3,541,700 or $2.07 a share based on the same number of shares.

During the past year the company acquired 100 percent ownership of the Columbia Recording Corporation and its subsidiaries. The operating results of these companies, which do not materially affect the consolidated earnings, have been included in the 1939 result, the company states.

This is a preliminary statement, subject to audit now being made. The annual financial report, however, will be mailed to stockholders in April.

At a meeting of the Board, Directors declared a cash dividend of 45 cents a share on the Class A and Class B stock of $2.50 par value. It is payable on March 8 to holders of record February 23.

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EUROPEAN LONG DISTANCE TELEPHONES EXTENDED DESPITE WAR

Most countries abroad have added to their long distance telephone cable networks during 1939, according to information from Associated Companies of the International Telephone and Telegraph Corporation in Europe, and the use of the 12-channel carrier-on-cable systems has been particularly prominent.

In Great Britain, 900 Km. of 12-channel cable was installed during the past year and another 1,100 km. is under construction or on order. In addition to the carrier cable, another 4,000 Km. of other loaded trunk cables were completed or are under construction. Of the London-Paris 12-channel cable system reported last year, the section from London to the French Coast, including the submarine portion, has been completed and considerable progress has been made with the manufacture and installation of the section of France.

Initial 12-channel carrier-on-cable systems have been completed or are under construction in a number of countries in Europe. In Belgium the Roosendaal cable was completed and will eventually be extended to Brussels to link the Belgian and Dutch toll telephone networks. In Sweden the Goteborg-Malmo system was under construction at the end of the year and in Finland the Helsinki-Turku plan was started, a system which is to be connected to the recently laid Stockholm-Turku submarine cable which is also designed for 12-channel operation. In Denmark a combined 12-channel and loaded cable is under construction between Aalborg and Aarhus, a distance of 111 Km., and this cable will eventually be extended to Copenhagen. In Rumania the Bucharest-Ploesti combined 12-channel and loaded cable system has been extended to Brasov which makes a total distance for this cable of 170 Kms.

The Norwegian and Swedish cable systems were connected with the installation of the Halden-Kornsjo cable which is a loaded cable 70 Kms. in length designed for voice frequency and single channel carrier operation.

Although 1939 has witnessed no exceptional changes in telephone sets as a whole in England, the new British Post Office desk set has begun to make its appearance. This set is now being manufactured and supplied to the Post Office by Standard Telephones and Cables, Ltd., in place of the moulded desk set designed in 1931

The Bell Telephone Manufacturing Company of Antwerp, Belgium, has now completed the development of a new subscriber set containing a number of advanced features which will make the set even safer from the effects of moisture and dust, and easier to maintain. This set will be on the market in 1940.

Standard Telephones and Cables in London has developed a new equalized receiver technique which is incorporated in all of its new equipment including the new desk sets referred to previously. Head receivers to meet all requirements with a common magnetic structure and giving the same improved performance have been standardized to replace entirely the old type receivers. The same principles have been applied to a magnetic transmitter suitable for airplane use.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1208

February 13, 1940

BAN ON BROADCASTS BY ALIENS DISCUSSED

Prohibition of domestic radio programs produced by aliens is being discussed by the Federal Communications Commission at the instigation of the Federal Bureau of Investigation, it was reported this week.

Under the present Communications Act, aliens are prohibited from owning radio broadcast stations, and it is contended this restriction should be extended to prevent aliens from having any part in the production of programs in order to eliminate possibility of subversive propaganda being disseminated over the air.

Any such prohibition might be difficult to put into effect and, in any event, would require legislative action, it was pointed out. Discussion of it was prompted by the F.B.I. investigation of espionage in this country.

The discussion, it was explained, has nothing to do with reception in the United States of short-wave propaganda broadcasts by powerful foreign stations. It is aimed at broadcasts over standard wave stations in this country, and is designed to stop at the source any programs which might include material intended to influence the minds of listeners against democratic principles and in favor of foreign "isms".

It was explained it might be a simple matter to prohibit radio stations from using programs produced by aliens, but it would be more difficult to control a situation where a citizen might be found preparing a program containing subversive propaganda. In the latter case, the Commission would be powerless to stop the program under the law's restriction against censorship.

But there is reported to be a growing tendency within the majority of the Commission now to control the kind and type of programs being used by broadcast stations and the networks. It led to a bitter battle earlier in the week when the "Pot of Gold" program was under consideration. Then the conservative membership won a partial victory when the matter was sent to the Department of Justice.

It was contended that for the Commission to take any action against the program at this time would be just as much censorship as to rule the program could not go on the air.

It was impressed on the Commission it would be on stronger ground, if the Department of Justice presented the facts to a court and, if the program was ruled to be a lottery, the Commission could still take action against the stations which put the program on the air.

It is known that tremendous political pressure was brought against the program on behalf of certain moving picture theater owners who complained they were suffering from the competition, because their theater audiences were being depleted on the night the program is broadcast.

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PREPARED STATEMENTS BARRED AT "F.M." HEARING

The reading of prepared statements, which has been frowned upon ever since James L. Fly became Chairman of the Federal Communications Commission, will not be permitted at the frequency modulation hearing which will begin on March 18th. The order has been issued, it was explained, "in order to expedite the proceedings".

The final date for the filing of written statements, sketches, drawings, etc., in connection with argument, has been extended to March 11.

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NYC GETS SPECIAL EXPERIMENTAL LICENSE

The New York City Police Department this week was granted special temporary authority to operate Class II Experimental Municipal Police Station on A4 and A3 emission, using the equipment, frequencies and licensed power of Municipal Police Station WRGR, for the purpose of conducting tests to determine the practicability of utilizing radio operated teletype machines. The authority is to be from date of grant until further order of the Commission, but not beyond one month, subject to condition that no interference will be caused to the service for which the transmitters are primarily licensed.

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FCC TO RULE ON NAVAL TIME SIGNAL REQUESTS

Broadcasting stations were advised this week that they may henceforth obtain permission to rebroadcast Naval Observatory time signals from the Federal Communications Commission.

In a notice to standard station licensees, the FCC said:

"It is the police of the Navy Department to consent to the rebroadcasting of the Naval Observatory Time signals in all cases where satisfactory assurance has been given that the following conditions will be complied with by the broadcast station concerned.

"(1) Announcement of the time signal must be made without reference to any commercial activity;

"(2) The time signal to be rebroadcast must be obtained by direct reception from a Naval radio transmitter which is broadcasting the time signal;

"(3) The Naval Observatory time signals are intended to be sufficiently accurate for astronomical and other scientific purposes. No time, therefore, may be announced as a Naval Observatory time signal if any time lag has been introduced.

"In order to avoid hereafter the necessity for each individual licensee to make application to the Navy Department for the consent to rebroadcast the Naval Observatory time signals, requests therefor may be made direct to the Commission under the provisions of Section 3.94 without being submitted to the Navy Department, provided appropriate representation is made with the request that the above conditions will be complied with in full. Representations of compliance with conditions 2 and 3 shall include such diagrams, descriptions and data as necessary to show that no time lag in excess of 0.04 second has been introduced.

"In addition to the above conditions, requests for such authorizations must be made for the full license term when accompanying an application for renewal of license or for the balance of the unexpired license period when made after the application for license has been granted."

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The Rev. Charles E. Coughlin returned to the air Sunday but made no mention of the cancellation of his broadcast last week.

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WORLD TIME CONVERSION CHART AIDS RECEPTION

General Electric this week was distributing copies of a world time conversion chart in hours which enables short-wave listeners to gauge the time of any other country on the globe in relation to their own time.

"With this chart", General Electric explained, "you can convert standard time in any zone to Greenwich Meridian Time or tell what time it is in other parts of the world."

By means of dark and light shading, the chart also shows where day and night begin and end.

General Electric, according to Mr. E. S. Darlington, In Charge of Short-Wave Broadcasting, is offering the charts in Spanish, Portuguese, French, and English to its far-flung listeners of Stations WGEA and WGEO, of Schenectady, and KGEI, of San Francisco.

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F.D.R. IS CANDIDATE OF LONDON RADIO TIMES

While Americans in this country may be divided over the third term issue, the "Radio Times", of London, journal of the British Broadcasting Corporation, has come out flatly for the re-election of President Roosevelt.

Discussing a series of talks on "Men of the Hour", the journal comments on a talk on Mr. Roosevelt by Sir Frederick Whyte, thus:

"Personally, we find Roosevelt perhaps the most interesting of the whole galaxy. Although he has lived all his life in a country where everything is publicized and all the facts are on the record, people disagree about him more even than about Stalin, the Man of Mystery. Millions swear by him, but the average business man can't speak his name without foaming at the mouth. Any joke against him goes down well in the Pullmans, and most of the papers seem to knock him all the time, yet he is strongly backed for a third term. Nobody's for him but the people' - as his friends say."

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BROADCAST MUSIC, INC., NOW "GOING CONCERN"

Broadcast Music, Inc., was declared a "going concern" by its Board of Directors, meeting last week in the company's new offices at 580 Fifth Avenue, New York City, the National Association of Broadcasters has announced in its weekly bulletin.

The total amount of funds actually received or pledged was $1,140,357.50. Members of the Board expressed confidence that as other station commitments are received the figure will exceed the $1,500,000.

Stock certificates and license agreements will be issued in the very near future. It was also announced that the selection of personnel for the staff of BMI will be completed shortly. Meanwhile, Neville Miller will continue to serve as President of the corporation, and Sydney M. Kaye as Vice President and General Counsel.

Members of the Board present at the meeting were: John Elmer, Edward Klauber, Lenox R. Lohr, Samuel R. Rosenbaum, John Shepard, III, and Neville Miller, President, and Sydney Kaye, Vice President and General Counsel. Also present was Everett E. Revercomb, acting Secretary and Treasurer of the corporation.

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CBS MAY WRITE OWN SCRIPT FOR U.S. PROGRAMS

A contemplated policy of the Columbia Broadcasting System to write its own scripts for broadcasts on governmental themes, and to discontinue present Government-prepared programs, may change Uncle Sam's appearance on the air waves, according to the "Federal Diary" in the Washington Post.

"It was learned that C.B.S., beset by pleas of many Federal agencies for network time, believes it can solve the problem only by using programs on subjects pertaining to several departments, that are written by Columbia", the article said.

"The chain has discontinued the Interior Department program "What Price America' after a year's run, although it awarded the program the prize for the most interesting Government series on the air. In its place, a temporary program has been substituted, pending development of the network's own series on governmental subjects.

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"C.B.S. still carries programs of the Office of Education, but if C.B.S. develops its policy to completion, these may be discontinued.

"The contemplated action raises the question whether the Government can find in the future any outlet for programs of its own preparation. Federal radio experts also expressed doubt the network would be able to present adequate broadcasts unless a much larger sum of money is devoted to them than now appears probable."

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NO SHOT-BY-SHOT BROADCAST OF BATTLE, SAYS BBC

"There is a tendency to imagine that the BBC broadcasts from the battlefield areas will be in the nature of running commentaries while the actual events are taking place", "London Calling", a BBC weekly organ comments. "Many people in Australia, for instance, thought that there would be a kind of ball-by-ball commentary on the war, after the manner of the Test Match commentaries. They seem to have overlooked the fact that such a commentary would be more eagerly listened to by the enemy than by anyone else. The whole course of a battle might be changed disastrously if the enemy were apprised of what was happening at certain critical moments.

"Listeners can take it for granted that the BBC commentators will be subject to the same rules of rigid censorship as are war correspondents. Everything a war correspondent writes must be censored before it is released for publication; similarly everything spoken by a broadcasting commentator must be censored and the only way in which this can be done is for the commentary to be recorded and broadcast later, at a suitable time. Listeners can take it, however, that within those limitations they will be able to hear many thrilling stories from the battlefield."

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The Kansas City Star last Sunday inaugurated a complete new suite of studios, control and office rooms in the Star Building for WDAF, its radio station.

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TRADE NOTES

The U. S. Civil Service Commission this week released application blanks preparatory to holding open competitive examinations for the positions of Radio Inspector at $2,600 a year and an Assistant Radio Inspector at $2,000 a year with the Federal Communications Commission.

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Local and spot sales on the 15 stations owned, operated or programmed by the National Broadcasting Company this year broke all previous records for the month of January, according to James V. McConnell, NBC's National Spot and Local Sales Manager. The total revenue for January, 1940, was $516,400, an increase of 31 percent over the January, 1939, figure of $392,700.

In making the announcement, Mr. McConnell also predicted a bright outlook for the remainder of 1940, with every indication, he said, that the percentage increase would be maintained throughout the year.

Charged with misrepresentation in the sale of "V-Bev", a medicinal preparation, Purity Products, Inc., 1060 Broad St., Newark, N.J., The Journal of Living Publishing Corporation, 1819 Broadway, New York, and Victor H. Lindlahr, have been served with a complaint by the Federal Trade Commission. Mr. Lindlahr controls the advertising practices of Purity Products, Inc., with respect to "V-Bev", and is editor of "The Journal of Living", published by the New York corporation and used for advertising the Purity company's preparation. The respondents advertise by radio and in newspapers.

Edgar Morris, distributor for the Zenith Radio Corporation in Washington, has been named Chairman of the annual Cherry Blossom Festival Committee by the District of Columbia Commissioners.

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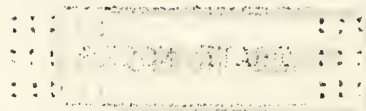

DATA SOUGHT ON OVERSEAS TELEGRAPH COMMUNICATION

Carriers engaged in international telegraph communication were this week ordered by the Federal Communications Commission to file with the Commission, not later than April 1 next, certain information concerning such service with Europe, Africa, the Near East, Asia, Oceania, the West Indies, and Central and South America.

In order to secure full knowledge of existing overseas traffic, carriers will be required to count words and messages in each direction on March 6, and report the results to the Commission along with other information concerning present routes and the number and age of circuits in operation, and whether there was interruption to communication between 1934 and 1939.

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"SCOOP" CREDITED TO SHORT-WAVE RADIO RECEPTION

The Chicago Daily Times obtained a news "scoop" by means of direct reception of a short-wave broadcast from Vatican City regarding Nazi atrocities in Poland.

The "scoop" was credited to the Times by Oren Weaver, Midwest News Editor of the Columbia Broadcasting System chain in Chicago. Speaking over Station WBBM, Mr. Weaver said news reports from Vatican City had "confirmed the story by which B. E. Lucas of The Chicago Times had scooped the entire nation when he broke the story (of Nazi atrocities as reported by the Vatican) last week."

"We call that good reporting", Mr. Weaver said over the air. "Here's orchids to Mr. Lucas."

In another article which the Times captioned "But that's only the half of it!", the Chicago paper said:

"'The Chicago Times is one American newspaper which does not fall for British propaganda', Nazi radio station DJC in Berlin broadcast. Fred Kaltenbach, formerly of Waterloo, Ia., and now in Berlin, quoted extensively from Mr. Lucas' 'We're Listening' column. According to Mr. Lucas, the Germans failed to mention 'all the buckets of cold water I have poured on Kaltenbach's broadcasting. They used only what helped their case and dared not quote what I said about German propaganda.'"

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WMCA TO HAVE STRONGEST SIGNAL

A new type three tower directional antenna system which will give WMCA the strongest daylight signal of any independent radio station in the New York area will be constructed at Kearney, N.J., for WMCA's new 5,000 watt transmitter, permission for which was granted by the Federal Communications Commission Thursday. The permit boosts WMCA's daylight power five fold and provides for the removal of its transmitter from Flushing, Long Island, where it has been located for eight years.

Covering an area of 30 acres, the three towers will concentrate the WMCA signal into metropolitan New York. An elaborate groundwork of copper wiring spread fanwise under each tower will intensify the signal, comprising a strength equivalent to 15,000 watts, according to engineers. This ground system, containing more than 30 miles of wire, will act as a deflector in preventing loss of signal into the earth, it was explained.

The new transmitter will be housed in a modernistic structure of white terra cotta. Designed especially for the new system by WMCA engineers in cooperation with RCA, the building will be streamlined and windowless with special glass brick walls. Inside the building, a special air conditioning plant will keep the temperature controlled at all times. Emergency equipment will also be housed in the building in the event of failure of the primary transmitter.

The three towers of the antenna system will be built in parallel formation spaced 385 feet apart and rising 325 feet high. The top of each tower will be equipped with flashing beacon lights to warn approaching aircraft. Using a directional system to concentrate the signal in the metropolitan area the center tower is known as the "radiator" while the west tower is the "reflector" and the east tower serves as a "director" of the signal.

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GILL OPENS OWN RESEARCH AGENCY

Samuel E. Gill, who last month resigned as Director of Research for Crossley, Inc., has announced the opening of offices at 52 Vanderbilt Avenue, New York City.

Mr. Gill, formerly connected with the National Resources Board and later with the Twentieth Century Fund, will deal principally with analytical phases of research. The service will be offered to advertisers and their agencies on a fee basis. Such field work as is carried on will be done only under the personal supervision of Mr. Gill or a member of his New York staff by professional market research workers who have, through a strict course of field training, become highly competent operators.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
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No. 1209

TWO LICENSES REVOKED; "HIDDEN MANAGEMENT" CHARGED

Continuing its "crack-down" policy on the broadcasting industry, the Federal Communications Commission this week revoked two more licenses because of evidence of "hidden management" and irregular financial operations.

The revocations brought to eight the number of license cancellations since January 1st, six of them in Texas, and aroused fears that more are to come as a result of investigations now under way.

The revocation of the license of Station WSAL, Salisbury, Md., was an affirmation of an order issued last October but withheld on an appeal for hearings. The licensee is Frank M. Stearns. Involved in the inquiry also was Glenn D. Gillett, Washington consulting engineer, who was shown to have furnished the money for construction of the Salisbury station.

Final action of the FCC was based upon "false statements" made under oath by the licensee, according to an FCC statement, but the original order was directed at "mortgage control" of the station by Gillett, who was said to own majority interest in WBAK, Wilkes Barre, Pa., and WQDM, St. Albans, Vt.

Evidence of hidden management, operation and control of radio station KGKB, Tyler, Texas, was given by the FCC as reason for the revocation of the license issued to the East Texas State Broadcasting Company. It is effective March 1, 1940.

An investigation conducted by the Commission revealed that actual control has been in the hands of James G. Ulmer and that the East Texas Broadcasting Company has never filed with the Commission an application for transfer or assignment of its license, as required by law, the FCC stated.

Regarding the WSAL revocation, the FCC said in explanation:

"Where, as here, a license is obtained as a direct result of false statements and representations under oath, involving among other things an applicant's financial responsibility, and made to the Commission in the application itself as well as in the evidence submitted at public hearing in support thereof, the Commission has only one course of action and that is to make final its order of revocation upon that ground alone. The Commission is specifically empowered by Section 312(a) to revoke a license 'for false statements either in the application or in the statement of fact which may be required by Section 308 hereof or because

of conditions revealed by such statements of fact as may be required from time to time which would warrant the Commission in refusing to grant a license on an original application.' If the real facts had been known to the Commission with respect to applicant's finances the Commission could not have legally authorized the issuance of a license to an applicant who at best had available to him not to exceed $340.00.

"Any contention that satisfactory service has been rendered and that the community in question would be without service in the future is not controlling in this case. However important the present service is, the Commission cannot escape the responsibility fixed by statute to ascertain the qualifications of applicants by considering truthful statements and to act accordingly in the granting or refusal of licenses. In requiring that applicants for licenses be found legally, technically, financially and otherwise qualified, Congress recognized that communities will be better served by those who truthfully show themselves to be qualified in all such respects than by persons who are willing to be used as mere figureheads for others who for reasons best known to themselves desire to conceal their interest.

"The applicant for a permit to construct and operate Broadcast Station WSAL made false statements under oath both in the original application and at the hearing thereon. Many of such statements involve matters of fact concerning the applicant's financial qualifications which, if the truth had been revealed, would have shown applicant not financially qualified and would have compelled the Commission to refuse to grant the license upon the original application.

"The revocation order heretofore entered in this matter on the 24th day of October, 1939, should be affirmed."

Meanwhile, it was disclosed in New York that M. H. Aylesworth, former NBC President, has been retained by Stack-Goble, the advertising agency handling the "Pot of Gold" account for Tums, to represent it in the Justice Department investigation of the radio program, cited last week by the FCC.

The agency has indicated it will fight any effort to put the program off the air. The FCC has asked the Justice Department to determine whether program is a violation of the lottery ban in the Communications Act.

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Station WMAL Washington outlet of the NBC-Blue Network, for the second successive year has won the General Electric Plaque, awarded annually to the station which lost the least amount of time on the air through technical difficulties or personnel errors. Formal presentation of the plaque will be made at a dinner in the near future.

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CONGRESSIONAL LOBBYING AT FCC HIT BY LAWYERS

Criticism of Congress for exerting political pressure on members of the Federal Communications Commission is contained in a report by the Attorney General's Committee on Administrative Procedure just issued in connection with a broad study of Federal agencies.

The committee of eminent attorneys, headed by Dean Acheson, said that the extent of the influence of members of Congress on individual Commissioners could not be determined, but it commented that it is "unquestionably a practice which should be discontinued".

The report also criticizes some of the practices of its own colleagues, radio attorneys, before the FCC, discusses program censorship in general, and analyzes generally the hearing procedure of the Commission.

"It is a widely and firmly held belief that the FCC has been subjected to constant external pressure, particularly by members of Congress", the Committee said.

"The interest of Congressmen in applications pending before the Commission is evidenced by correspondence, telephone calls, and conferences. Not unusually, according to available information, Congressmen wait upon members of the Commission in their offices in order to present pleas in behalf of or against the granting of a license. Attempts by Congressmen to utilize their official positions as an excuse for special pleading (under the guise of explaining 'peculiarities' of local situations are made with some degree of frequency from the time an application is filed until the Commission has rendered its final order."

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U.S. ENVOYS TO GET NEWS STRAIGHT VIA SHORT-WAVE

American envoys in at least a dozen European countries will get their international news straight and uncensored henceforth via short-wave broadcasts from the United States.

The State Department announced this week that it had arranged to buy short-wave receiving sets for the Embassies in these countries so that the diplomats and their staffs will not have to rely on the censored news dispatches carried by the press in the nations where they are stationed.

The receivers are powerful enough to tune in United States short-wave stations, which broadcast international news daily to Europe as well as other parts of the world. They also can be used to listen to European broadcasting stations.

The sets are to be installed in the Embassies and Legations of the following countries:

Belgium, Denmark, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, the Netherlands, Rumania, Turkey and Yugoslavia.

Censorship is not stringent in all those countries, it was explained, but since most of them are small, extreme care is taken in the news they print concerning their powerful neighbors.

The State Department, in cooperation with the Navy, already has a far-flung system of sending news to its important diplomatic missions. In a dozen principal cities in Europe, Asia, Africa and South America, the Navy has set up highly selective short-wave receiving sets manned by enlisted radiomen.

Nightly they receive a bulletin sent out by the Navy. It is written by officials of the State Department on the basis of the day's news.

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LAWYER GETS PERMIT FOR FIFTH D.C. STATION

The National Capital will soon have five broadcasting stations. Lawrence J. Heller, an attorney, was this week granted a construction permit to operate on 1310 kilocycles with 250-watt power, and a 50-watt amplifier or "booster" station.

Mr. Heller said he hopes to have the station on the air within six months, and that he plans to finance it himself. The cost, he estimated, will be more than $50,000.

Location of studio and transmitters for the projected station remain to be decided, with approval of the FCC, Mr. Heller said. The main transmitter will be in downtown Northwest Washington, and the booster station on Wisconsin Avenue near River Road Northwest.

The new station would bring to five the total of Washington's commercial radio stations. In operation now are WMAL and WRC, of the National Broadcasting Company; WJSV of the Columbia Broadcasting System, and WOL of the Mutual Broadcasting System.

Mr. Heller said that his station "will operate on a commercial basis", but will devote considerable time to civic local programs, and to the development of latent local talent. Musical programs by local orchestras, and productions by Washington dramatic groups were listed by Mr. Heller as projects for the new station.

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FCC CONTINUES STUDY OF TELEVISION PROBLEMS

Confronted with many serious problems involved in encouraging the development of television, the Federal Communications Commission is proceeding slowly while awaiting further reports from the industry.

Chairman James L. Fly indicated this week that the Commission will not promulgate new regulations without considerable discussion and study of their effects on the industry. He said that another inspection of television laboratories and stations in the East may be made by an FCC technical staff before a final decision is reached.

Meanwhile, the Chairman has notified leading radio manufacturers that the FCC will not at this time appoint a special committee representing the industry to study transmission standards in an effort to reach an unanimous recommendation.

The Radio Manufacturers' Association also is restudying its previous proposals, it is understood, and is making new examinations of recent developments. FCC officials have indicated that if the RMA Engineering Committee obtains the united support of the industry in a new report that Chairman Fly will not appoint an independent group.

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FCC STUDYING BROADCASTS OF RACING NEWS

The Federal Communications Commission was reported this week to be investigating the broadcasting of racing news although it is uncertain what the Commission can do to curb it.

The FCC investigators were said to be interested in finding out whether stations which receive the racing news by wire are distributing it by other means than broadcasting.

The latest move of the Commission is another step in the efforts of certain Pennsylvania officials to use the Federal agency to police the wires and the air to keep such information from being transmitted to the public, it was said. The contention is that the wires used are interstate and that the radio waves are interstate, and as the State is powerless to act, it has sought the aid of the FCC. However, the FCC sometime ago refused aid in stopping the use of the land wires for transmission of such information on the ground that it was not a violation of a Federal statute.

There is said to be decided objection within the FCC to going into racing news problems continually, because there is no prohibition against it. It was pointed out that the information comes from tracks within States where racing is legal.

The Communications Act does not prohibit the broadcasting of racing information, but it was said that consideration is being given to the latest complaint because of allegations that in addition to broadcasting the information, the stations are transmitting it direct to clients using it for illegal purposes.

Just what the FCC can do if its investigation shows this to be true is a matter, it was indicated, which will have to be given to the Legal Department for further study.

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BARTON CITES THREAT TO FREEDOM OF RADIO, PRESS

Charges that some members of the Federal Trade Commission and the Department of Agriculture are threatening the freedom of radio and the press by destroying national advertising were made in Chicago Thursday by Representative Barton (R.), of New York.

Mr. Barton, who is an executive of a New York advertising agency, told the Union League Club the House had inadvertently appropriated $88,829 to the FTC for an investigation of national advertising practices. The item is in a Supply Bill pending in the Senate, he said.

"There are men in the Federal Trade Commission and the Department of Agriculture, who hate national advertising, who want to destroy national advertising", he said. "They want to destroy it because national advertising supports the free American press, and the free American radio.

"And these New Dealers will not be satisfied until they clamp down their bureaucratic controls over the press and radio. If they can destroy national advertising they know that they will end the independence of the press and radio.

"This is the hidden danger in a seemingly harmless proposal. The press of the country generally has opposed the spendthrift extravagance of the New Deal. And the inner circle of the New Deal never forgives or forgets."

Mr. Barton said that he did not accuse the Federal Trade Commissioners themselves of being "anti-advertising or anti-business" nor did he consider that the Secretary of Agriculture was "anti-business".

"But I do say", he added, "that the New Dealers have loaded the staff of the Federal Trade Commission with men who are definitely anti-advertising and anti-business. I do say that D. E. Montgomery, who has the title of Consumers Counsel of the AAA in the Department of Agriculture, is anti-advertising, and that he and certain elements in the Federal Trade Commission have jointed together to provoke this attack."

To answer some of the attacks on the appropriation, the FTC has issued the following statement:

"From inquiries to the Commission and articles appearing in certain periodicals, there appears to be misconception concerning the character and scope of the Commission's proposed inquiry into the 'Methods and Costs of Distribution'.

"The purpose of the inquiry is to ascertain and assemble pertinent facts concerning the whole subject of distribution in a number of industries. This will involve examining different methods of distribution and, necessarily, the more important items of costs. Some industries will be included in which expenditures for advertising no doubt, will be unsubstantial; in others the advertising costs may be substantial. There is no purpose or intention of singling out advertising any more than any other item of the cost of distribution and no more emphasis will be placed on advertising costs in this inquiry than was done in such recent inquiries as Agricultural Income, Farm Implements and Motor Vehicles.

"In the numerous general inquiries conducted by the Commission and in the many thousands of cases in which it has made investigations and taken corrective action, the Commission has never made any declaration or taken any position against advertising as such. Furthermore, no such action is contemplated. Its action with respect to this subject has been confined to the elimination of false and misleading advertising under the Federal Trade Commission Act, and of unlawful advertising allowances under the Robinson-Patman Act. Even under the latter act no attempt has been made to prevent the granting of such allowances provided that when offered they were made available on proportionally equal terms to all customers."

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PALEY TO BE HONORED FOR BROADCASTING WORK

Election of William S. Paley, President of Columbia Broadcasting System, as an honorary member of the Veteran Wireless Operators' Association, is to be announced at the Association's 15th annual dinner next Wednesday evening, Feb. 21, in the Hotel Astor, New York City. This honor is being bestowed on Mr. Paley "for his contributions to broadcasting", according to William J. McGonigle, radio engineer, who is President of the Association.

At the dinner, Chief Engineers of the three major networks - E. K. Cohan of CBS, J. R. Poppele of Mutual, and O. B. Hanson of NBC - will receive the Marconi Memorial Gold Medal of Achievement for their work in the line of duty.

The 250 guests at the annual dinner also will witness presentation of the Marconi Memorial Service Award, a bronze plaque, to the entire American broadcasting industry for world leadership. The plaque will be accepted by an official of the National Association of Broadcasters.

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TRADE NOTES

World Radio Market released the U. S. Bureau of Foreign and Domestic Commerce reports this week for the Philippine Islands (regulations), Kenya, and Uganda.

Station WRUL, short-wave outlet operated by the World Wide Broadcasting Corporation, at Boston, has been granted an increase in power from 20 to 50 KW by the Federal Communications Commission.

A national advertising and promotional campaign for the RCA Victrola console instruments was announced this week by Thomas F. Joyce, Vice President and Advertising Director. The campaign will utilize cooperative newspaper ads with dealers and distributors, large space in ten magazines, and programs on almost fifty radio stations in principal markets. Lord & Thomas handle the account.

The largest single order for recorded programs in the history of the company, has just been shipped by the NBC Radio-Recording Division to 662 stations in the United States. The recording, entitled "Uncle Sam Calling", is an explanation of various aspects of the 1940 Census. It was produced by the Office of Education, U. S. Department of the Interior, in collaboration with the Bureau of the Census, Department of Commerce.

Hygrade Sylvania Corp., manufacturers of electrical products at plants in Massachusetts and Pennsylvania, has reported for 1939 net profit of $856,807, equal to $3.52 a common share, compared with $438,690, or $1.48 a share, in 1938.

Gate Taylor, formerly Advertising Manager of Broadcasting Magazine, has joined the staff of Variety as Chief of the Radio Advertising section.

Effective Monday, February 26, Station WSAV, Savannah, Ga., will join the National Broadcasting Company as its 184th affiliate, giving NBC the largest number of affiliated stations in the history of the company, according to William S. Hedges, NBC Vice-President in Charge of the Stations Department. WSAV is licensed to WSAV Inc., and operates full time on 100 watts power on a frequency of 1310 kc.

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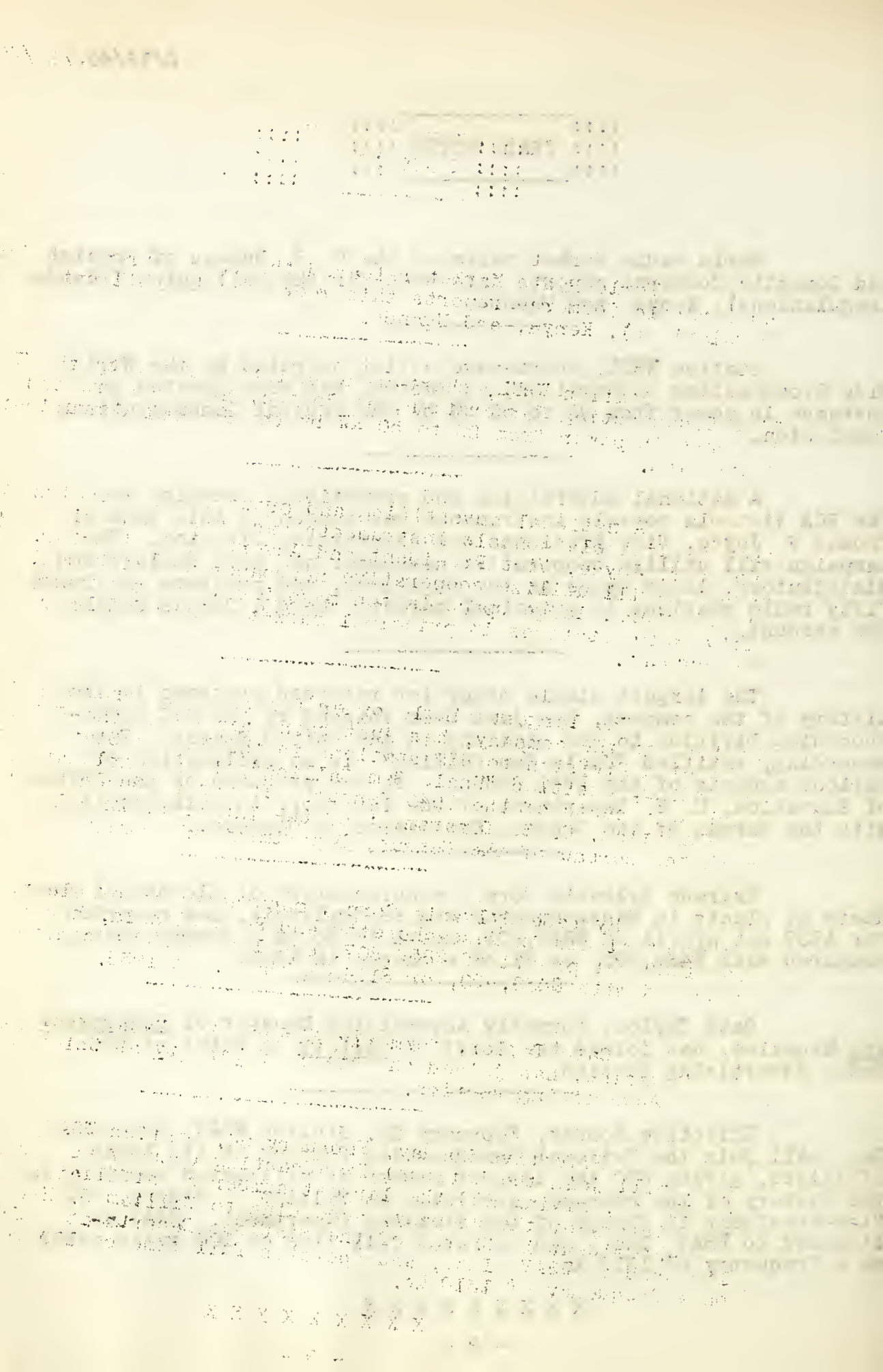

THREE TO FIVE YEAR LICENSE EXTENSION PROPOSED

An extension of broadcasting station licenses from three to five years and many other important amendments to the Communications Act were proposed in a bill introduced in the House last Friday afternoon by Representative J. William Ditter, Republican, of Pennsylvania "in order to preserve and protect liberty of expression in radio communication". The bill was instigated by the National Committee to Uphold Constitutional Government, of which Frank Gannett, New York publisher and Republican presidential candidate is Honorary Chairman. Former Representative Samuel Pettengill, Democrat of Indiana, is Chairman of the group and Dr. Edward A. Rumely, noted publicist of New York, is Secretary.

"This bill", according to Representative Ditter, "consists of a series of amendments designed, so far as possible, to protect broadcasting against any encroachment on liberty of expression, including freedom of speech and of the press guaranteed by the First Amendment to our Constitution and freedom from censorship generally. It is unnecessary that I point out how vitally important it is that the public be afforded this protection. Broadcasting rivals the press as an agency of mass-communication. Freedom of expression is the cornerstone of democracy. Government control of what is printed or said is the antithesis of democracy and is a characteristic of autocracy and totalitarianism. . . . . .

"Notwithstanding the express intent of Congress, the Commission has found an Achilles' heel in the law. The vulnerable spot is the broad statutory standard of 'public interest, convenience or necessity' which is the criterion applied to the granting or denying of applications. The Commission has construed this formula as giving it power to censor programs by the back-door method. Taking advantage of the procedural provisions in the Act, they have limited licenses to the short period of six months, recently increased to one year (although the law permits a period of three years), and have regulated programs through actions on renewal applications. The theory is that this Commission has power to deny a renewal application and put a station out of existence if the station has been broadcasting programs which do not meet the standard of 'public interest, convenience or necessity', whatever that means, depending on a whim of the majority of the Commission at any particular moment. I say the Commission. Fortunately, there is a minority which still understands fundamental American principle. Obviously, this is a far more dangerous form of censorship than if the Commission would promulgate standards in advance, which it concedes it does not have power to do. The present method is just plain ex post facto censorship and is too powerful a weapon to be entrusted to any such agency.

"Everyone recognizes, of course, that there are legitimate limitations on freedom of speech. These are for Congress to decide, however, and not for a bureaucratic board in Washington. In the Communications Act as it now stands, we have expressly forbidden several kinds of utterances, such as obscene, indecent

or profane language in Sec. 326 and lottery information in Sec. 317. Violation of either of these provisions is subject to heavy criminal penalties by way of fine and imprisonment after appropriate proceedings in the courts. This is the way such matters should be handled. There may be other types of utterances, which ought to be, and can constitutionally, be forbidden. If this be the case, let us learn about them and enact legislation accordingly. But we certainly never intended to delegate to this Commission the power to impose their judgment as to what are good programs and what are bad programs on the American people. The Commission was established primarily to deal with a technical problem in order to prevent interference, assure an orderly and efficient use of the ether, and effect a fair, efficient and equitable distribution of broadcast facilities over the country. From all I can find out, it is to these primary duties they pay the least attention while they fritter away their time on forbidden and, I believe, unconstitutional fields of activity.

"Time after time during recent years, an effort has been made to bring about an investigation of this Commission. For one reason or another, these attempts have failed. Pending the time when a successful attempt is made, I urge that this, the most precious of our liberties, be made absolutely secure. No useful purpose would be served by attempting to recite at length the usurpations of power by this Commission in this field during recent years. Congress has been made thoroughly familiar with them."

The law also, Representative Ditter believes, gives altogether too much power to the President to reach the same result as the Federal Communications Commission. He may put a station out of existence or severely cripple it by simply assigning its frequency to a government station without any statement of reasons or hearing. Also, he may do about anything he chooses with a station, even including taking it over and letting a government department operate it, by simply declaring that there exists a "national emergency or in order to preserve the neutrality of the United States".

In seeking to cure the defects in the existing law, the following are specific provisions of the bill which Congressman Ditter has introduced.

Section 1 inserts a clear statement of the purpose of Congress to secure liberty of expression for radio so there may be no doubt in the matter.

Section 2 places a limitation on the power of the President to assign a frequency used by a privately-owned station, to a government station, by requiring that either an equally desirable frequency be given to the privately-owned station or that there be a hearing.

Section 3 prescribes a minimum license period of three years for broadcasting stations, with a maximum of five years, and eliminates a clause which might otherwise be susceptible of

an interpretation giving the Commission power to consider program service on renewal applications.

Section 4 removes an ambiguity in the hearing provisions of the Act under which the Commission is now claiming the power to take action adversely affecting existing stations without giving their owners any right to be heard.

Section 5 eliminates an unduly harsh section of the provisions governing revocation of license so as to make it clear that the hearing is to be held before and not after the order of revocation.

Section 6 is the most important provision of this bill. It states in language which I hope is too clear to be misunderstood that the Commission is not to refuse renewal applications or take any other action against licensees on the ground that a station's programs do not meet the Commission's ideas of what constitutes "public interest, convenience or necessity". Mr. Ditter believes Section 6 to be the basic provision of his bill which would amend Section 326 of the Communications Act. "The only leeway left to the Federal Communications Commission is in the case where a licensee has been finally adjudged guilty by a Federal court of one or more violations of specific provisions of the Act (such as the prohibitions against obscenity and lottery information) and then only where the offense is of so serious or repeated a nature as to show clearly that the licensee or applicant is not qualified in character to operate a station. We do not put newspapers out of business because of occasional infractions of laws against lotteries, obscenity, defamation, or any other improper utterances. We punish the persons responsible by fines, imprisonments or damages. Why should any other principle apply to radio station licensees. . . . . A bureau in Washington should not have the arbitrary power to try such matters or to appraise their seriousness. This can best be done in the district and the court where the licensee lives. To give the power to a board in Washington means simply that it has an additional weapon with which to persecute those whom it dislikes while not molesting those who have its favor."

Section 7 limits the power of the President to take over stations to cases of imperative military need during actual war or a state of insurrection equivalent to war.

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HEINL RADIO BUSINESS LETTER

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No. 1210

February 20, 1940

FCC STUDIES COMPLAINTS ON INTERFERENCE

The Federal Communications Commission gets many complaints about local interference to broadcast reception and its engineers spend a great deal of time studying remedies although, in most instances, the FCC is powerless to act.

The Commission has no authority to investigate, or require, the elimination of interference caused by diathermy and other electrical apparatus, ignition systems of automobiles, electrical signs and other contributing agents, an FCC statement points out. A number of States and municipalities have enacted ordinances to meet this problem. In connection with interference caused by power systems, some of the power companies maintain investigating departments which cooperate with individuals in an effort to remedy interference conditions. Complainants can generally, and should be ready to, furnish detailed information as to the type of interference experienced, which in all probability will be of value in locating the cause.

Low power radio frequency devices, used for control purposes, are under the jurisdiction of the Commission, although licenses under certain circumstances are not required.

The general problem of interference has been approached by the Commission from the point of view that the public as a whole will be best served through cooperation in the industry. Efforts in this direction have been centralized in a coordinating committee of the American Standards Association, with headquarters in New York, which affords representation to all those interested in the reduction of electrical noise. Among organizations represented are the American Transit Association, ASA Telephone Group, Association of American Railroads, Bureau of Standards, Canadian Department of Marine, Edison Electric Institute, Federal Communications Commission, Institute of Radio Engineers, Institute of Radio Service Men, National Association of Broadcasters, National Electrical Manufacturers' Association, Radio Manufacturers' Association, Radio Manufacturers' Association of Canada, Society of Automotive Engineers, and the Radio Club of America.

The States of Maine and Washington, and the Territory of Hawaii, have had statutes on the interference problem for years, two of them since 1921. Los Angeles passed a controlling ordinance in 1931. Other municipalities having kindred regulations are Crescent City and Santa Ana, Calif.; Bloomington and Franklin, Ind.; Storm Lake, Iowa; Atchison, Kans.; Bunkie, La.; Bay City, Two Harbors, Iron River, and Munroe, Mich.; Minneapolis and St. Paul, Minn.; Lincoln, Nebr.; Boonville, N.Y.; Dumright, Okla.; Marshfield, Roseburg, and Portland, Ore.; Waynesboro, Va.; Spokane,

Wash.; Antigo, Ashland, North Fond du Lac, Oshkosh, Stevens Point, Watertown, and Waupaca, Wis.;

Reallocation of frequency assignments under the North American Regional Broadcast Agreement is expected to eliminate the interference of high-powered stations operating in Cuba and Mexico, which are, of course, outside of the jurisdiction of the Federal Communications Commission.

Interference caused by diathermy equipment presents a problem with which the Commission has been very much concerned of late, particularly because of its supplemental effect on television programs. Among the many complaints received is a resolution adopted by some 30 police departments, pointing out that police transmitters in the emergency service are required to maintain rigid tolerance but that no similar regulations have been placed on diathermy, and requesting the Commission to declare diathermy a nuisance to police radio. In some instances, diathermy interference to radio communication is observed over distances involving thousands of miles.

While legislation clarifying the Commission's jurisdiction in this matter may be the final solution, during study of the problem every effort has been made by the Commission to alleviate the situation through the cooperative efforts of the manufacturers, the medical profession, and the radio industry. The Commission has been in close touch with the Council on Physical Therapy of the American Medical Association in this respect.

Radiation of electrical energy is not essential to the proper functioning of diathermy apparatus and can be eliminated or controlled without impairing the usefulness of the apparatus. There has never been any attempt on the part of the Commission to suppress the use of this important device; however, since the radio and medical services both involve the use of equipment in connection with the safety of life and property, and since the radiation of energy from the electro-medical apparatus can be controlled at small cost by screening the room in which such apparatus is used, it is felt that the interested parties should cooperate to the adoption of standards of good engineering practice which will permit both services to operate without mutual interference.

As for simpler types of interference, the FCC said:

When operating a receiving set in the immediate vicinity of a broadcast station, cross-talk interference will be experienced if the receiver does not have at least two pre-selector tuned circuits between the antenna and the grid of the first detector tube. Further, it must be properly shielded to prevent strong unwanted signals from entering the set except through the antenna.

An average set should be capable of receiving a desired station 50 kilocycles removed, even if operated within a few blocks of a broadcast station. The performance of many receiving sets encountering cross-talk interference may be improved materially

both for selectivity and sensitivity if properly aligned and tubes checked and replaced if found defective. Some receivers which are not capable of separating the desired from the undesired station 20 or more kilocycles removed may be improved materially by employing the simple "wave trap", obtainable at most radio stores.

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MEXICO MAKES NO RESERVATIONS IN SIGNING TREATY

The Department of State has advised the Federal Communications Commission that no reservations have been made by Mexico in approving the North American Regional Broadcasting Agreement as published in the "Diario Official" of February 15. It was expected that Cuba, as the depository government, would be notified at once.

The North American Regional Broadcasting Agreement was signed at Habana, Cuba, at the conclusion of the First Inter-American Radio Conference on December 13, 1937. It was signed by representatives of Canada, Cuba, the Dominican Republic, Haiti, Mexico, and the United States.

The agreement was not to become effective until ratified by Canada, Cuba, Mexico, and the United States. The ratification by Mexico is the last required to make the agreement valid, and permits starting the necessary engineering measures to carry out its provisions.

As previously predicted by the Commission, the assignment of some 730 standard broadcast stations may be affected by reallocation. However, it is not possible to determine definitely any individual assignments until the entire plan is worked out with respect to stations in all the countries which are parties to the agreement. A shift in any one assignment may affect materially the entire plan. Accordingly, all assignments must be worked out in relation to the entire pattern and can be announced only concurrently. The Commission will give due notice to all licensees when the general plan is determined.

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A total of 260 radio stations have signed license agreements totalling subscriptions of $1,159,467.50 to join Broadcast Music, Inc., the National Association of Broadcasters announces. An additional 115 stations have indicated approval of the plan, it was said, but have not signed agreements.

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PRESIDENT'S POWERS CURBED IN DITTER BILL

Strict limitation on the powers of the President over radio stations in times of national emergency are provided in the bill introduced last week by Representative Ditter (R.), of Pennsylvania, to amend the Communications Act.

Explaining provisions of the measure, which would extend station licensing periods from three to five years and otherwise liberalize the Act, Representative Ditter pointed out that Section 7 of his bill seeks to limit the power of the President to take over radio stations to instances of military need in actual wartime or insurrection.

This provision is one of several attacks on the emergency powers of the President that have been made by the National Committee to Uphold Constitutional Government, which drafted the Ditter bill. The Committee is headed by Frank Gannett, New York publisher as Honorary Vice Chairman, and Republican presidential candidate. Dr. Edward A. Rumely, of New York City, is Secretary.

"Very broad and, I believe, excessive powers are reposed in the President of the United States, in time both of peace and war, to take actions adversely affecting radio stations and even putting them out of existence", Representative Ditter explained.

"In time of peace he may accomplish this by proceeding under Section 305(a) of the Act to grant a station's frequency to some Government station without cause or hearing. Section 2 of this bill proposes to correct this by requiring either that the privately owned station be given an equally desirable assignment or that there be a hearing.

"Section 606(c) of the present law confers unlimited powers on the President to close stations, to remove their equipment, or to authorize the use or control of stations, by any department of the Government upon a bare proclamation not only that there exists war or a threat of war, but even (a state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States.' We have now become familiar with the broad meaning of which the word 'emergency' is susceptible. Even in time of war, it seems to me it should be for Congress and not the President to determine whether we are to sacrifice one of our two principal agencies for mass communication. Nevertheless, yielding somewhat to those whose judgment may be better than mine as to possible sudden military needs, I have confined my proposed amendment to this section to a situation short of war or insurrection which is the equivalent of war. Otherwise, I propose that it be made perfectly clear that the section is not to be used as an excuse for exercising censorship or for closing or taking over broadcast stations. Even in time of war or insurrection, my bill limits the closing down or taking over to imperative military need."

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EDUCATIONAL USE OF RADIO SURVEYED

The Federal Radio Education Committee, with the cooperation of the U. S. Office of Education, is endeavoring to learn through surveys how community leaders in education and radio cooperatively use radio to raise the level of mass understanding of common problems.

John W. Studebaker, U. S. Commissioner of Education and Chairman of the Federal Radio Education Committee, this week called attention to a study of 63 local radio forum and discussion programs that have been broadcast over 47 stations in 34 communities throughout the United States.

"It is my conviction that one of radio's greatest opportunities for constructive service lies in the field of public affairs education", said Commissioner Studebaker. "We still have many answers to find to the question whether, as a people, we can develop enough intellectual capacity to solve our problems democratically; that is, through the intelligent participation of the rank and file of our citizens. The answer depends in large part on the zeal and ingenuity with which station managers and educational leaders cooperatively attack the problem of mass education in public affairs via radio."

Dr. Paul M. Sheats, Assistant Professor of Education, University of Wisconsin, who conducted the survey, found that most of the forums on the air have been initiated by radio stations, private and public colleges and universities, boards of education, citizens' committees, Y.M.C.A.s, churches, service groups, and newspapers. His report reveals how radio forums are launched, how programs are planned, the development of program technique, audience relations, and listener response.

"Station managers who have thought seriously about their public service responsibility in regard to treatment of current controversial issues are favorable to the forum as a pattern for their programs in this field", says Dr. Sheats. "Few station managers, however, will embark on a series of public forums or public affairs discussions unless they can depend on a large amount of outside assistance and volunteer local leadership willing to accept responsibility for impartial, careful and skillful management of the broadcast. The trend", he points out, "may be toward the employment of full-time educational directors on the regular staffs of radio stations." Station managers and program directors generally prefer to have forums managed by a non-partisan citizens' committee which represents the various political, economic, and social interest groups in the community, the survey indicated.

The Federal Radio Education Committee report emphasizes that leadership is being offered by national educational, agricultural, church, and service organizations to promote public affairs education, that public interest has been aroused, and that the radio industry has an opportunity to capitalize upon this cooperation and interest by producing significant and effective educational programs.

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FCC REVISING REPORT ON GREAT LAKES

Faced with the task of digesting a complicated, two-volume report, the Federal Communications Commission has obtained from Congress an extension of time for reporting on what form of radio transmission, voice or code, should be used by distressed vessels operating on inland waterways.

The report, replete with intricate tables, was handed the Commission a few days before it was to have been forwarded to Congress. With the extension of time, the report, Commission officials said, was sent back to the staff for rewriting and briefing.

When it comes back it is expected to furnish the basis for a lengthy discussion on the merits of use of voice radio in times of distress at sea. The report recommended that voice radio be required exclusively on ships of the Great Lakes and that the use of code radio or code be made optional in sending distress calls on ships plying the Chesapeake Bay and other inland waters.

Further controversy may be stirred, before the Committees of Congress, if not before the Commission, when they consider the report over the proposal to provide voice radio exclusively on ships plying the Great Lakes. Labor leaders already have protested against the recommendation because they say voice installations will cut down on employment on ships. Voice sets would be operated by license operators, but not of the same grade and experience as those required to be aboard ships which carry code sets.

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Watson Lee has joined the Columbia Broadcasting System Network sales organization. Mr. Lee was for a number of years Eastern Advertising Manager of Woman's Home Companion and had previously been connected with The Blackman Company and J. Walter Thompson.

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WSAL TO APPEAL REVOCATION OF LICENSE

Continued operation of Station WSAL for at least 20 days despite an order revoking the Salisbury (Md.) station's license has been assured by the Federal Communications Commission.

Attorneys said that during that period, set aside to permit application for a rehearing of the license revocation order, the station could operate as usual.

In event the Commission should refuse to reconsider its order, they said WSAL could appeal to the Circuit Court of Appeals in the District of Columbia. Ordinarily, attorneys said, that Court would order a stay of the Commission's order pending a decision on the appeal.

Two companies are ready to step in with radio service at Salisbury, served for over a year by WSAL. They are the Delmarva Broadcasting Co., and Peninsula Broadcasting Co., both of which filed applications for authority to take over the service while revocation proveedings were pending against WSAL.

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LARGEST RADIO WEATHER SET-UP IS TESTED

Radio operators this week were testing a new weather reporting service which will be the largest unit of its kind in the world. The weather reports will be transmitted from LaGuardia Field, New York, after being gathered by two new stations at Sayville, L.I., and Barnegat, N. J.

When complete the new radio set-up will be the largest weather reporting service of its kind in the world, according to the New York Times, giving four-tape weather data ten hours a day. The completion of the service is contingent on the leasing of additional space.

United Air Lines has announced that it would install a new 5,000-watt radio transmitter in its new hangar at the field, to be completed by March 1. The transmitter will have two-way voice range with airplanes of the line 500 miles away.

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An unusual tribute will be tendered the transmitter engineering staff of Station WOR tomorrow (Wednesday) by the Western Electric Co., builders of the 50,000-watt WOR installation. F. R. Lack, representing Western Electric, will present a trophy to the station's Carteret, N.J., technical personnel in recognition of its record of broadcasting 8221 hours last year without a single program technical failure. The trophy, a handsome plaque, will be accepted by J. R. Poppele, Chief Engineer of WOR.

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STATIONS TOTAL 817 ON FEBRUARY 1ST

The Federal Communications Commission issued operating licenses to eight stations, granted seven permits for the construction of new stations, and deleted four stations during the month of January, 1940.

There were 769 stations operating and 48 construction permits outstanding on February 1st as compared with 727 and 39 a year ago.

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BRITISH FEAR U.S. MAY TAKE TELEVISION LEAD

S. Sagall, Managing Director of Scophony, Ltd., has prepared a memorandum containing proposals for the relaying of television programs over the telephone wires, according to The Electrical Review, British publication.

"He thinks that such a system could be operated on an inclusive rental basis at a charge of 5s. per week to subscribers", the article stated. "This country has held the lead in television so far, but the total cessation of the service will, he fears, allow the leadership to pass to the United States, where development is being actively pursued. The memorandum also refers to the possibility of introducing television into cinemas."

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PARKS SERVICE DEVELOPS TWO-WAY RADIO

Development of a mobile radio antenna by National Park Service engineers which makes possible long distance two-way communication from motorized Park Service field equipment has been reported to the Interior Department.

Heretofore, reliable two-way radio communication from the ordinary Park Service patrol car has been limited to a few miles. By use of a development of the base loaded type antenna, communication between points more than 100 miles apart has been attained, using the frequencies between 2,500 and 3,500 kilocycles. With an older base boaded antenna and the tuned loop, satisfactory short-distance communication has been maintained in the field, but with the newer equipment, approximately sixteen times the efficiency of the old loaded base type has been achieved, and much more than over the turned loop type. The new method is of great importance to the National Park Service in its annual battles with forest fires.

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PHILCO CLAIMS THREE TELEVISION DEVELOPMENTS

Three new achievements in television research, described as "important steps forward in solving television's fundamental problems" were announced in Philadelphia last week by William H. Grimditch, Vice-President in Charge of the Philco Radio & Television Corporation's engineering laboratories.

The announcement was made at a special showing in Philadelphia attended by radio and science news writers from New York, Philadelphia, and Washington.

The three Philco advances as described by Mr. Grimditch are:

1. Better television picture -- Television reception of a 605-line picture instead of the present 441-lines. This gives an increase of 30 percent in picture detail. The new 605-line picture has 24 frames per second in accordance with standard motion picture practice.

2. Plug-In Television -- Television reception based on vertical wave transmission permitting built-in vertical loop antennas.

3. Discrimination against noise -- Use of the built-in loop antenna to reduce diathermy and noise interference, one of television's most vexing problems.

"To the public", Mr. Grimditch said, "these advances will mean a better television receiver at lower cost.

"Although these achievements are important steps forward toward making television as reliable as present-day radio broadcasting", Mr. Grimditch added, "one big problem yet to be solved is a better, simpler, stronger, and more reliable synchronizing system to prevent picture slippage before television becomes practical."

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RADIO MAY GET STOCK EXCHANGE ADVERTISING

Broadcasting stations may soon get a new sponsor to the tune of $800,000 a year, according to Louis M. Schneider, financial columnist, writing in the current Editor & Publisher. It is the New York Stock Exchange.

"As originally planned," he wrote, "the advertisements were to have been placed in some 400 newspapers and in about 300 towns and cities. Now that the idea has been revived, there is an even chance of its going to the radio chains."

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STOCKHOLDER SEEKS $270,000,000 IN RCA SUIT

An action for recovery of more than $270,000,000 was filed in Federal Court in New York City on Monday against the Radio Corporation of America, Westinghouse Electric & Manufacturing Co., General Electric Co. and 24 officers and Directors of the three concerns, according to the Associated Press.

J. Webster Manning, holder of 1,000 shares of R.C.A. common stock, filed the complaint, a derivative stockholders' suit, basing it on two alleged causes of action.

The first cause charged that from 1919, the year of RCA's organization, until 1936, General Electric and Westinghouse controlled RCA voting stock and, as a result, the policies and the Directors of RCA, Mr. Manning asked for an accounting of 6,500,000 shares of RCA common stock, worth $40 a share, which, it was alleged, RCA gave to General Electric and Westinghouse in 1932 in return for certain rights to manufacture, sell and distribute radio apparatus controlled by General Electric and Westinghouse.

These agreements, the complaint charged, were illegal because the Government then was investigating the radio industry and the assets and rights turned over to RCA were worthless.

The complaint also charged that ratification by RCA stockholders was obtained by fraudulent means and misleading information.

The second cause of action dealt with the lending to Radio-Keith-Orpheum Corp. of $11,600,000 for a 10-year, 6 per cent debenture issue in November, 1931. RCA directors at that time, the complaint continued, knew that R-K-O was about to go into bankruptcy. The issue was an unsecured, secondary obligation, subject to a prior issue of $6,000,000, secured by all of R-K-O's assets, the complaint said.

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BAN ON RADIOS IN TAXICABS PROPOSED IN N.Y.C.

The banishment of radios from all New York City taxicabs on the ground that fragments of swing music, playlets and news are a general nuisance and of no particular interest to the cab-riding public, will be asked of the Police Department by the Broadway Association when the next licensing period, April 1, 1940, comes around, according to the New York Times.

H. Frederick Bright, Managing Director of the Association said his organization's petition and collection of protests had not been presented yet to Commissioner Valentine, but that it would be as soon as the two largest cab operating companies, Parmelee and Terminal, had completed a survey of the drivers' reactions to the proposal.

Conflicting views were obtained from various cab operators, as well as a note of protest from a spokesman for the taxicab division of the Transport Workers Union.

"The Association is absolutely right", said Nathan Levine, President of Bell Transportation Company, which operates 400 radio-equipped cabs. "As a matter of fact, I signed the petition myself. Cabs with radios are a hazard to the public, as they take the driver's mind off the road. It was the worst thing that ever happened to the taxi business. The accident ratio went up immediately after the radios were installed. And the passenger doesn't care about them - they're usually in the cab too short a time to hear a broadcast, and static usually interferes."

A woman president of another company, Mrs. Frances Cohen, head of Mural Transportation Company, which has 103 radio-equipped cabs, took an opposing view.

"Yes, it's a nuisance and a headache to the owners, and we'd save a lot of money by doing away with them, but we find the public likes radios, wants them and demands them, and we'd prefer to keep them", Mrs. Cohen said. "Then it's a source of great comfort to the drivers. It's really the only diversion they have. It's also educating for them to hear the news of the day."

The Union spokesman took the same view, declaring that cab radios were "an aid and comfort to the men, who have long waits between calls - and calls are very few these days."

Mr. Bright listed six reasons for the ban, to be proposed to Mr. Valentine. They are:

"Taxi radios are an accident hazard in that they detract the driver's attention from driving.

"They are of small interest to passengers, who hear through them only a fraction of a radio program.

"They create unnecessary noise and are particularly disturbing at night.

"Their use during major sporting events, etc., while cabs are parked at curbs, causes crowds to gather thereby blocking sidewalk movement and creating opportunities for pickpockets to ply their trade.

"They merely serve to amuse the driver while the cab is not in service.

"They upkeep and maintenance is an unnecessary expense on an overburdened industry."

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No. 1211

WEST'S ONLY TELEVISION STATION GOING ON MOUNTAIN

Like Mohamet, the Don Lee Broadcasting System, which operates the only television station in the West, will shortly go to a mountain in order to double its range, according to Lewis Allen Weiss, Vice President and General Manager.

Station W6XAO, of Los Angeles, has been on the air since December 31, 1931, and is at present operating on a nine-hour-week schedule, three hours of which is provided by live talent.

The station, which is owned by Thomas S. Lee, will be moved shortly to a 1,700-foot mountain overlooking Hollywood. Officials of the station predict that the range of W6XAO will be increased thereby from 30 to 60 miles and cover the entire population of Southern California.

The Los Angeles station has televised more than 6,000 hours of entertainment in its nine-year history in over 2,500 separate programs. These include 448 newsreels, 64 features, and 69 shorts. One of its most outstanding broadcasts was the televising of the Tournament of Roses parade on January 1st of this year. A "looker" more than 40 miles away was able to read the names of the floats on the screen of her receiver.

W6XAO has televised goldfish, "muggs" of men wanted in New York on criminal offenses, automobile tires, sacks of flour, jewelry, fashions, automobile parts, stamps, photographs, sculpture pieces, college professors, and Reginald Denny.

Name stars who have appeared on television programs recently include Edith Fellows; Clarence Muse; Max Reinhardt and his players who now have a regular Thursday night television schedule; Morton Downey; Bobby Breen; Brewster Twins and Tay Garnett; Sally Rand; Betty Jane Rhodes and Maxine Gray, film and radio starlets; Fritz Leiber; and Fuzzy Knight.

W6XAO operates on 45.25 megacycles for picture and on 49.75 megacycles for the sound. Broadcasts are on 441 lines, consisting of thirty sixty-frame interlaced United States standard television images.

There are several hundred television receivers in Los Angeles County. Many brands are offered for sale in the downtown stores. These include RCA, General Electric, Gilfillan, Dumont, and Stromberg-Carlson. Prices range from $200 to $650. Gilfillan, a local concern, recently produced a set for $395.

Behind locked doors nine years ago, Harry R. Lubcke, Mr. Lee's Director of Television, began experiments that kept the Pacific Coast in the forefront of the television field.

Following are some of the Don Lee Television patents perfected by Mr. Lubcke:

1. Methods of television transmission by electronic means: In particular relates to television scanning devices using vacuum tubes.

2. Television synchronization methods and apparatus. Concerns both transmitter and receiver to transmitter in particular.

3. Television system: Concerns television synchronization and use of special electrical wave-shapes at the receiver.

4. Cathode Ray tube: Concerns structure and operation of cathode ray tube for television reception.

5. Relaxation oscillator: has to do with a new kind of oscillator for television scanning, transmitter or receiver. Utilizes vacuum tubes only.

6. Television equipment. Has to do with synchronization at the transmitter.

7. Television apparatus: Optical arrangements for television transmission. (Lenses, light beams, etc.)

8. Television receiver: Concerns equipment for a television receiver. (Resistors, condensors, coils)

9. Television Receiver: Concerns circuits for a television receiver.

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Lowell Thomas, pioneer radio news commentator, became the first sponsored radio performer to combine television with his regular radio broadcasts, when his evening program, heard over the Blue Network of the National Broadcasting Company, also was seen over NBC's television station, W2XBS, in New York City, last Wednesday.

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1939 RADIO EXPORTS SHOWED SLIGHT LOSS

Total exports of American radio in 1939 were $22,179,871, a slight decrease, of 4 percent, from the 1938 radio exports of $23,100,060 and despite a sharp upturn in radio shipments during the last half of 1939 with the European war in progress, according to a compilation by the Radio Manufacturers' Association. Radio exports last December were the largest for any month in 1939, topping the virtually continuous increase in exports during the last six months.

The 1939 record of American radio exports showed increases in the number of receiving sets and tubes sold abroad but decreases in their dollar value. The most severe losses in foreign radio trade were in parts, speakers, and other accessories. The 1939 increase in units of receivers exported was 23.5 percent while the dollar value decreased approximately 1 percent. There was a 1 percent increase in the number of tubes exported in 1939 but a decrease of approximately 1 percent in their dollar value. Exports of parts decreased 12.7 percent last year, while the dollar value of speakers decreased 15.5 percent despite an increase in the number of speakers of 10.6 percent, and the value of other radio accessories exported decreased 31.1 percent. There was an increase of 4.5 percent in exports of transmitting apparatus.

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RADIO LIQUOR AD BILL GETS ANTI-LYNCHING TAIL

The Johnson Bill to prohibit the advertising of alcoholic beverages by radio was blocked for the time being at least this week when Senator Clark (D.), of Missouri, informed the Senate that he intends to offer the highly controversial anti-lynching bill as an amendment when the radio measure is called up.

Senator Clark, who comes from a State famous for its beer, has thus effectively tied up the ban on radio advertising of alcoholic beverages until the anti-lynching bill is disposed of.

The Johnson Bill, reported by the Senate Interstate Commerce Committee, is on the Senate calendar. The chances are now that it will remain there until the end of the session.

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CONGRESS, PEEVED AT ACHESON REPORT, TO PUSH BILL

Publicity given a preliminary report of the Attorney General's Committee on Administrative Procedure, which among other things criticizes Congressmen for lobbying at the Federal Communications Commission, has so nettled anti-administration members of Congress that they are more determined than ever to enact legislation curbing the powers of Federal agencies, such as the FCC.

Senator King (D.), of Utah, will make another attempt next week, he said, to obtain Senate consideration of the Logan Bill, which Administration leaders have tried to hold up until the Justice Department report is completed. A similar bill is awaiting action in the House.

Representative Ditter (R.), of Pennsylvania, called attention to phases of the report last week in proposing amendments to broaden the Communications Act.

"Administrative justice will not acquire the stature of its judicial counterparts until it is as immune from lobbying as most courts are popularly thought to be", the Committee said.

If the FCC is to avoid the imputation that it is subject to pressure, the Committee declared, "it must pursue a definitely courageous course". It added:

"Unlike a court, the Commission cannot punish for contempt one who diminishes confidence in its objectivity by seeking privately to sway its judgment of a pending matter.

"But, on the other hand, it can, like a court, protect itself by a dignified and unwavering rejection of communications and arguments whose mere reception, even though their contents later be ignored, involves a lowering of prestige."

So long as the popular impression exists that Commission decisions are the result of backstage lobbying, the Committee said, "there will be persistent efforts to subject the Commission or its individual members to political pressures."

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BROADCAST LICENSE MODIFICATION ORDER CONFIRMED

No radio broadcast station having requested hearing or protested the action in any way, the Federal Communications Commission has made effective, as of March 1, 1940, its order of January 29th last directing that all outstanding broadcast licenses expiring after August 1, 1940, be modified to expire on that date as a preliminary to frequency reallocations under the North American Regional Broadcasting Agreement.

The time for filing objection expired February 15th. Accordingly, modified licenses will be issued as listed in the order of January 29th.

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UNIVERSITY TO BROADCAST FOR MOUNTAIN FOLK

The University of Kentucky plans to bring mountain people radio programs of cultural and education value by reason of action of the Federal Communications Commission this week in granting a construction permit for a new non-commercial educational broadcast station to operate from Beattyville, Ky., on 41900 kilocycles, 100 watts power, unlimited time.

Program service of value to both schools and adults is contemplated by the University of Kentucky. Operation will be two hours daily -- from noon to 2 o'clock -- Mondays through Fridays, and as emergencies and special events warrant. The period from noon to 1 o'clock will be devoted to adult interests, and the remaining period will be intended for the county schools, but will be patterned to appeal to adults as well. Programs will be of a civic, educational, agricultural, and entertaining nature.

The applicant plans to equip the between 50 and 60 mountain schools in Lee County with receivers. The University will bear the cost of the transmitter and receivers, will retain ownership of the equipment, and will supervise the operation through the Lee County Board of Education. The Board, for its part, will pay operating expenses including the salary of a supervisor who will promote the use of the service by communities and schools adjacent to the area.

In 1933 the University of Kentucky established a system of remote listening centers where people could hear educational radio programs of standard broadcast stations. On the basis of results, the University feels that there is need for establishment of a system by which localized education and information, both for school children and adults, should be provided for in each of the mountain communities.

This makes only three institutions which have taken advantage of the 25 amplitude modulated channels (41020 to 41980 kilocycles) set aside for non-commercial educational broadcast purposes. The others availing themselves of these frequencies are WBOE, operated by the Cleveland, Ohio, Board of Education, and WNYE, by the New York City Board of Education.

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VESSEL ORDERED SOLD FOR RADIO VIOLATION

The Federal Communications Commission has been notified that the United States Admiralty Court, Norfolk, Va., has ordered the barkentine-rigged vessel MARSALA sold to satisfy a $5,500 penalty incurred when it cruised 11 days outside of port without radiotelegraph transmitting equipment as required by the Communications Act.

The violation occurred November 16 to 26, 1938. It was made known when the vessel ran into a storm off the Virginia capes and lack of radio facilities imperiled students and crew. On March 27, 1939, the Commission notified the owner, the American Nautical Academy, Nautical Training School for Merchant Marine Officers, Washington, D. C., of the forfeiture. The school, on April 8, filed application for mitigation, but the Commission after full consideration denied the request and advised that the forfeiture was payable immediately. Payment was not forthcoming, so the matter of collection was referred to the Department of Justice.

On September 18 proceedings were instituted by the United States District Attorney for the Eastern District of Virginia, and on February 19 the case was heard by the Admiralty Court.

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HOOPER, PALEY, ENGINEERS ARE HONORED

Rear Admiral Stanford C. Hooper of the United States Navy, for his work in developing the Navy's radio system to a status second to none in the years preceding the World War, was awarded the Veteran Wireless Operators' Association's medal of merit Wednesday night at the Hotel Astor in New York City.

The Marconi memorial medal of valor was awarded posthusously to Pappas Theodorou of the Greek freighter,"Kyllene", who, after the ship had been split in two by an explosion, succeeded, at the loss of his life, in getting assistance that saved the men on both halves of the vessel.

The Chief Engineers of the three major broadcasting networks - O. B. Hanson, of National; J. R. Poppele, of Mutual, and E. K. Cohan, of Columbia - were given the Association's medal of achievement for their work in the line of duty.

William S. Paley, President of the Columbia Broadcasting System, was elected an honorary member of the V.W.O.A., "for his contributions to broadcasting".

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U.S. SENT MOST PROGRAMS TO BBC IN 1939

The exchange of broadcast programs between countries all over the world has grown considerably in the last few years and, as far as the British Broadcasting Corporation is concerned, this international sharing of radio talent set up a new record in 1939.

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Despite the outbreak of war, listeners in Britain were able to hear during the year no fewer than 530 relays from abroad, compared with 433 in 1938 and 255 in 1937.

By line, by public radiotelephone service, and by direct reception at the BBC's receiving station, these transmissions brought outside broadcasts and studio performances from Canada and the U.S.A., Australia, India, South Africa, and other places as far apart as Moscow and Honolulu, as well as from the majority of European countries. Five programs were picked up from ships at sea.

Ten cities and towns of Canada provided twenty-two programs. South Africa was tapped for twenty-four transmissions, and Egypt for no fewer than forty-one. There were 146 relays from the United States, eighty-three being picked up by the BBC listening post, and the remainder by the British Post Office radiotelephone service.

France, with ninety-nine programs, provided most of the relays from Europe. Italy and Switzerland each supplied forty.

Although these programs involved great distances and, for line relays, the use of repeater stations, technical successes numbered 92.9 percent of the total, compared with 92.4 percent, the previous year, and 87.7 percent, in 1937.

The majority of the re-transmissions were completely successful. Only 7.1 percent were distorted or otherwise so spoilt as to warrant cancellation.

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TELEVISION RELAY SUCCESSFUL, SAYS DR. BAKER

Successful television relay, with which engineers have struggled for years, was declared an actuality Thursday night by Dr. W.R.G. Baker, General Electric Company's Television and Radio Manager in Schenectady, according to the Associated Press.

This problem generally is blamed with delaying widespread inauguration of television. Theoretically it limited television to the visual horizon.

High in the Helderberg mountains, near Schenectady, a television station has picked up and rebroadcast programs put on the air from atop the Empire State Building in New York City.

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TRADE NOTES

Radio sales by Canadian producers in the first three quarters of 1939 again set a new high record, reports the Canadian Pacific Railroad. Production for this period was likewise the highest on record. The nine months of 1939 saw an increase in sales of nearly 50 percent over 1938 and were 33 percent above the previous record established in 1937.

The number of radio receivers sold by producers in the first nine months of 1939 was 232,416, as compared with 156,412 in the same portion of 1938. The previous record was 174,714 sets in the first three quarters of 1937.

A three day display of television was presented in Altoona, Pa. this week by the William F. Gable Co., department store, through the auspices of KDKA. A battery of four receivers, camera, etc., were installed under the supervision of KDKA's Chief Westinghouse Engineer, Joe Baudino, and five shows daily were presented by Announcer Ed Schaughency, master of ceremonies. Talent was provided by Altoona Station WFBG, which is owned and operated by the Gable concern.

Federal collections of the 5 percent radio excise tax in January 1940 were $678,062.77, an increase of 17.7 percent above the January, 1939, radio taxes of $576,143.59. The January collections largely covered manufacturers' sales in the preceding month of December. Excise taxes on mechanical refrigerators collected last January totaled $340,958, compared with $282,380.09 in January, 1939.

The adjusted monthly index of newspaper advertising in the current Printer's Ink, shows a decline of 12.9 percent for January from December, but an increase of 2.7 percent over January, 1939. The January index of radio advertising registers an increase of 2.4 percent for January over December, and a 19.2 percent rise over January, 1939.

Station WOR, New York, celebrated its eighteenth birthday while the nation was observing Washington's birthday this week. The first broadcast was made from the roof of L. Bamberger's store in Newark, N. J., with a 500-watt transmitter.

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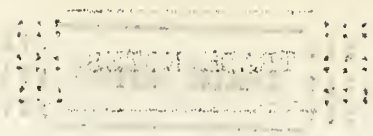

GENE BUCK HELD IN BROADCASTERS' DISPUTE

Gene Buck, President of the American Society of Composers, Authors and Publishers, was arrested at a resort hotel Thursday in Phoenix, Arizona, on a Montana warrant charging attempted extortion, according to the Associated Press.

His arrest is the outgrowth of a dispute at Missoula, Mont., over a demand by ASCAP that certain radio stations pay fees for the use of music which the organization claims to own or control.

Mr. Buck, who was released under $10,000 bond, said after a telephone conversation with his attorneys in Los Angeles, that he would fight extradition.

At Missoula, Governor Roy Ayers of Montana said he would conduct a hearing today (Friday) to determine whether to issue a requisition for extradition.

In addition to the attempted extortion charge, a felony, Mr. Buck also is accused of attempting to obtain money under false pretenses and conspiracy to extort, both misdemeanors, the A.P. stated.

In Missoula, County Attorney Edward T. Dussault said the telegraphic warrant against Mr. Buck was the same as that issued for him and other ASCAP officers which authorities in New York declined to serve.

"The charge against Buck and others in ASCAP is based on a request they sent to Montana radio stations, theatres, particularly in Missoula, and others by registered mail that their licenses to play music owned by ASCAP would be revoked unless specified payments of money were made", Mr. Dussault asserted. "We claim that ASCAP does not own 95 percent of the music they claim they own or control by assignment."

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SEVEN MORE MANUFACTURERS TO ISSUE "F.M." SETS

With about seven more radio manufacturers preparing to turn out frequency modulation sets in addition to the three already on the market, the volume of national and local advertising on these types of receivers is expected to be fairly substantial by the middle of the Summer. At that time, according to Frequency Modulation Broadcasters, Inc., the present total of twelve experimental stations will be increased to more than 100, the New York Times reports.

Complete sets now on the market include those of General Electric, Stromberg-Carlson and Radio Engineering Laboratories. The sets start at $69.50 for attachment models to present consoles and kits, of which two are on the market at $40. Zenith, Stewart-Warner, Pilot and Scott are among the companies which soon will introduce new sets, the Times said.

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G.E. TO CHANGE N.Y. WORLD'S FAIR EXHIBIT

Construction work on extensive changes in the General Electric Exhibit at the New York World's Fair for 1940 is under way, H. H. Barnes, Jr., Commercial Vice President, has announced.

"The changes in the General Electric Exhibit for 1940", Mr. Barnes said, "are aimed principally to take care of the traffic jams which we encountered in certain parts of our building on busy days last year, and to provide enough new entertainment to enable us to invite some of the 8,000,000 people who visited us last year to come back again.

"Space for viewing our television demonstrations proved to be entirely inadequate for the demand in 1939, and we are doubling the available space and number of television receivers. Another feature which was more popular than we had anticipated was the 'Magic Kitchen'. We are going to build a small theatre which will accommodate a greater number of people more comfortably. The Appliance Division is also working on several other new demonstrations, and this part of our exhibit will be altered completely."

A spectacular addition to General Electric's "man-made lightning" display in Steinmetz Hall is being developed by Dr. K. B. McEachron, Director of the G-E high-voltage laboratory in Pittsfield, Mass.

W. A. Gluesing, Director of the original "House of Magic" show at Chicago's Century of Progress and of the 1939 New York World's Fair Show, is also preparing new features for the 1940 edition of the "House of Magic".

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FINCH FACSIMILE AIDS BRITISH ADMIRALS

The British Navy is reported to be using a new device that enables Admirals, Captains of ships and strategists ashore to "see" beyond the horizon, according to a London correspondent of the New York Times. This important naval adjunct is radio facsimile, which is revolutionizing reconnaissance preliminary to successful action. The device is said to be the invention of W.G.H. Finch, a former United States naval officer who was born in Britain.

When television was invented the British Navy experimented with it, but Lord Chatfield admitted recently that it was impracticable because of the tons of equipment needed. The new secret weapon of the British Navy, said to be almost as good as television, requires only a twenty-five pound transmitter, which can be carried in an airplane.

The device does not send moving photographs, but is capable of sending maps and sketches of the disposition of enemy ships. Drawings five inches square may be transmitted considerable distances. It is possible, according to reliable information, to transmit pictures and maps with complete secrecy.

The Germans are said to have used radio facsimile in planes and tanks with some success during their invasion of Poland, but the transmitter used by the British is said to be superior. Even if the receiver fell into the hands of the enemy, there would be no danger of their being able to pick up broadcasts of pictorial military information, it is declared.

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ARTISTS AND BROADCASTERS CLASH AT ALBANY

Representatives of the National Association of Performing Artists and the American Federation of Musicians clashed with Sidney M. Kaye of the National Association of Broadcasters at a hearing before the New York Senate and Assembly Codes Committees Wednesday at Albany over the provisions of the pending Perry bill which would make it a larceny for radio stations to record, use or sell any broadcast without first obtaining written permission from the performers engaging in the program.

The musicians and performers charged that in "numerous cases" radio stations and recording studios were illegally making records of broadcasts and reusing them without knowledge of the performers or without paying them for it.

They contended that they were entitled to such additional pay, and cited cases where nation-wide radio broadcasts had been made into records by recording companies who struck out all mention of the name of the program and then resold the broadcast to "fly-by-night" stations which used the music for other advertising purposes.

Mr. Kaye, on the other hand, held that he approved the principle behind the bill, but asserted that as written it would be impossible for the radio companies to continue to broadcast.

He held that the provision requiring consent of all performers would mean that any radio station broadcasting a football game, a parade or convention would be liable to larceny under the terms of the bill if the written consent of every one present was not obtained.

On the advice of Senator Mahoney, who presided at the hearing, both sides agreed to meet and work out a "compromise bill".

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
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No. 1212

February 27, 1940

RADIO COMPANIES DISLIKE MERGER PROPOSAL

The proposal of the Federal Communications Commission that all American radiotelegraph and cable companies be consolidated appeared headed for trouble in Congress this week as radio communications concerns indicated their opposition.

Due to the expected early adjournment of the present Congress and the controversial character of the FCC plan, observers doubted that it will be enacted into law at this time.

The FCC submitted the proposal to the Senate Interstate Commerce Committee on Saturday as a supplementary report submitted in connection with a study of the telegraph industry made at the request of a Senate sub-committee.

The recommendation that all cable and radio communications companies engaged in international traffic out of the United States be merged was made by Chairman James L. Fly and three other members of the Commission - Messrs. Payne, Walker and Thompson.

Three other members - Commissioners Craven, Brown and Case - submitted minority views, which while concurring in some of the findings differed with the majority in the solution.

The minority viewpoint holds that a unified international system is neither justifiable nor desirable and strongly supports the opinion of the Navy Department that national defense requires the segregation of cables and radio telegraph.

The general basis for the monopolistic recommendation of the majority is that of protecting the cables from financial destruction through the advancement of radio and the increasing use of the air mail for trans-oceanic communication. Another ground is that a monopoly would be in better position to deal with systems in foreign countries which are owned, controlled or dominated by the countries in which they operate.

"There is very little in the report of the majority to commend itself to the radiotelegraph companies", a radio company representative, who asked to remain anonymous, commented. "The proposed merger of radio and cable companies is designed, the report frankly states, to help the cables and not the radio. The report makes clear that the radiotelegraph companies are in a strong financial condition, that the percentage of the total traffic handled by radio is increasing, and that the radio companies could reduce the rates and still make money. Nevertheless in order to protect the cables, the report apparently proposes that the older form of communication be saddled upon the newer and that radio be forced to carry the cables.

"Much is said in the report about the disadvantage the present radio companies have in dealing with foreign radio monopolies, since foreign radio monopoly can play the competing American radio companies against each other to their disadvantage. However, this could be corrected by having a single radiotelegraph company, as proposed by the minority, without bringing the cables into the radio company. No valid argument is advanced as to how an American radiotelegraph monopoly would be helped in its bargaining by being saddled with the cables also. In fact the minority of the Commission properly points out that this might hinder rather than help a possible unified American radiotelegraph company.

"The majority report speaks vaguely of the value of the cables as a 'national defense feature' but does not set forth convincingly any real service which could be rendered by the cables which cannot be duplicated more economically by radiotelegraphy. The majority report exaggerates the supposed ease with which radiotelegrams can be 'intercepted'. This is a common argument of the cables and it seems to have been adopted by the majority without careful analysis. No mention is made of multiplex equipment, printer circuits and other modern radio developments which have brought a high degree of secrecy to radio communication. Even so simple a precaution as the use of codes has for many years given adequate secrecy to radio communication as the steady increase in the use of radio for Government and commercial messages bears witness.

"Emphasis is laid on the importance of eliminating alien officers or employees from American communication companies without bringing out that it is the cable companies and not the radio companies that are open to criticism on this score. Radio companies for years past have been forbidden to have any alien officers or directors and no radio operator can secure an operator's license from the FCC without being an American citizen.

"The belief expressed by the minority that if radio and cables were merged, the cables would seek to hold back radio progress is passed off by the majority with the statement that this would not be 'good business' and hence need not be feared. However it is a well-known fact that in Italy the Italian cable company has placed many obstacles in the way of the Italian radio company since they were merged some years ago, and similarly in France, while both Radio France and The French Cable Company are under Government supervision, the Government frequently seems to favor the cable company at the expense of radio.

"While stressing the fact that the law should be changed to allow radio and cable companies to merge, the report does not explain how one corporation was permitted to acquire both radiotelegraph and cable subsidiaries under the present law nor does the report discuss the possibility that this has led to most of the 'bargaining difficulties' which it is now sought to correct by changing the law. For example, the report cites a specific example of a Japanese radio contract more favorable to Japan

than to the United States, without any mention whatever of the fact that the radio company initiating the contract on less favorable terms to the U.S.A. was controlled by a company whose major investments were in wire lines and hence might have been willing for its small radio subsidiary deliberately to make a bad bargain in order to injure a strong radio competitor and thus further the interests of its cable investments."

The majority report says the competitive situation in the international field is complicated by the fact that American carriers are forced to make arrangements with foreign countries for the handling of international communications. These arrangements in the past, it was added, seldom have been to the advantage of the American carriers, due to the fact that the foreign governments conduct their negotiations through a monopoly. In only a few countries, it was pointed out, are American carriers permitted to compete among themselves for traffic on foreign shores.

The Commission said that there is serious doubt whether the cable carriers can continue for long in the face of vigorous competition by the financially secure radio carriers and ever-growing radio telephone and air mail services. Under a unified system, it was asserted, it may be expected that rates will tend to be based more largely on costs in the radio field than telegraph.

From the standpoint of national defense, the more important elements to be considered, the report reads, are the adequacy of a unified system in scope and service, the maintenance of all possible alternative cable and radio routes, the elimination of foreign influence and ownership, the undivided loyalty of employees and managerial interests and a sound financial structure.

In addition to Western Union, major international cable carriers are All American Cables & Radio, Inc.; Commercial Cable Co., the French Telegraph Co., and Commercial Pacific Co. In 1938 these five companies had revenues of $16,613,263 from international operations, the report said.

Major radiotelegraph companies, in addition to R.C.A. Communications, are Globe Wireless, Ltd.; Mackay Radio and Telegraph Co. (California), Mackay Radio and Telegraph Co. (Delaware), Press Wireless, Inc.; Tropical Radio Telegraph Co., and United States-Liberia Radio Corp. The Commission said their revenues totaled $23,436,404 in 1938.

The report said that the Western Union Telegraph Co. handles the most business of the cable carriers in the international field and R.C.A. Communications, Inc., handles a slight majority of the business in the radiotelegraph field. Practically all business originating in, terminating in and transiting the United States is handled by 12 cable and radiotelegraph carriers.

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NAB SETS CONVENTION; APPROVES PLANS

The convention of the National Association of Broadcasters has been scheduled for August 4, 5, 6, 7 in San Francisco. The Board of Directors fixed these dates at its meeting last week after it was determined that the political conventions probably would be out of the way by August 1 at the latest.

Within a few weeks, the NAB will ask all Eastern and Midwestern members whether they would be interested in an all-expense tour from Chicago, that would include a circle tripr through the principal scenic areas of the West. If sufficient interest is shown, such a tour will be arranged for members and their families.

Howard Lane, KFBK, Sacramento, will be in charge of arrangements for activities outside the convention.

The progress of Broadcast Music, Inc., and pending legislation were discussed at the Board's two day meeting. Neville Miller's report on Broadcast Music, Inc., was approved. The Legislative Committee, headed by John A. Kennedy, WCHS, met with the Board to discuss the Johnson (D-Colo.) bill to ban radio advertisement of alcoholic beverages; the new Ditter (R-Penna.) radio bill, copyright, and other legislation.

Among important plans approved by the Board were the following:

The development of a unit plan for the measurement of radio advertising and various classifications thereof in local markets. Since the Board abandoned the measurement of radio advertising in terms of dollar volume, the industry has been in need of some uniform measuring method. In the past few months a new unit plan has been under development by the NAB Research Department and the Bureau of Radio Advertising. With the Board's approval, this will be brought to completion and will be presented to the Board for final consideration at its next meeting.

A national survey of children's programs, jointly sponsored by the NAB and the newly formed Radio Council on Children's Programs. Representatives of the Council will visit stations, advertisers, program builders and women's groups in 44 States in the next eight months. Information uncovered will be made available to stations, sponsors and program building agencies.

A coordinated industry-wide effort to inform the listening public of improvements to be expected in the switch-over of stations called for in the reallocations to be made this year in conformity with the Havana Treaty. As soon as definite instructions are received from the Commission, headquarters will proceed with its plans to assist in an orderly switch-over which will prevent listener confusion and loss of audience.

The development of consumer-relations program in co-operation with representative industries and business groups.

The development of an institutional campaign during the presidential election year, around the theme "Listen Before You Vote".

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CRAVEN "IMPRESSED" AFTER LONE TELEVISION TOUR

Commissioner T.A.M. Craven returned to Washington Tuesday "tremendously impressed" with recent developments in television broadcasting after a lone week-end tour of eastern laboratories and stations.

Recent refinements and developments have given new incentive to the new television industry, Commissioner Craven believes, and will hasten Federal Communications Commission action on pending proposals for rules.

The Commissioner inspected RCA Laboratories in Camden, Philco's plant at Philadelphia, and the Dumont Laboratories in New York. He also conferred with officiesl of the National Broadcasting Company and the Columbia Broadcasting System who are working on the studio technique problems of television broadcasting.

Commander Craven said he saw television broadcasting from both ends, the studio and the experimental receivers in New York homes.

The next stage of television development, Commissioner Craven believes, will be one of construction of more transmitting stations. The FCC, however, is not likely to freeze standards of television transmission at this time, he indicated, although it probably will take action shortly on rules proposed by his committee.

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"WJSV WEEK" TO MARK INCREASE IN POWER

By a proclamation of the District Commissioners, the week of March 4-9 will be called "WJSV Week" in celebration of the radio stations's boost from 10,000 watts to 50,000 watts.

Highlight will be Thursday, March 7, when the station's manager, A. D. Willard, Jr., will throw a switch at the National Press Club and put the new $300,000 transmitter at Wheaton, Md. in operation.

The Earle Theater is presenting a "CBS Radio Show" March 1-7 in celebration of the event with well-known Columbia entertainers performing. The Washington Post will carry a rotagravure section devoted to the history of the station in next Sunday's edition.

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"F.M." BROADCASTING COMPARED WITH "BLINKERS"

Frequency modulation broadcasting, which is the subject of a hearing by the Federal Communications Commission on March 18th, is similar to the blinker light system used on vessels at sea for signalling purposes, according to Dr. Orestes H. Caldwell, editor of Radio Today.

Speaking over Station WGY, Schenectady, this week, he said, in part:

"Frequency modulation differs basically from ordinary broadcasting or 'amplitude modulation'. In present broadcasting by amplitude modulation the radio carrier wave is being continually turned on and off by the voice, its amplitude is modulated from instant to instant. On the contrary, in frequency modulation the outpouring of radio carrier waves continues uniform, but their frequency is changed or modulated by the voice. If, therefore, the listener's RM radio receiver is set to a fixed frequency, the carrier-wave volume as received by an FM set, will appear to swing up and down, as the carrier wave swings into and out of tune with the set.

"An analogy can be found in signalling by light. In the blinker-light system used on ships, the lights are turned on and off to produce the visible signals. This corresponds to present amplitude-modulation broadcasting. On the other hand, an analogy to frequency-modulation broadcasting would be a light source glowing continuously, but changing in color from moment to moment - that is changing in frequency. If such a light source was viewed by an observer through, say, red glasses, he would see the light only at the moment it glowed red. Hence he would see pulses or signals of light. Although this analogy is only partial it outlines in a simplified form perhaps best understood by the layman, the way that the FM radio set gets its signals."

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PRIVATE RADIO SERVICE HELD NOT IN PUBLIC INTEREST

The Federal Communications Commission is receiving an increasing number of requests for authorizations permitting the use of radio for communications between offices and automobiles. While such service would be a private convenience, it has not been shown to be in the public interest to grant such restricted facilities, according to an FCC statement.

There have been many requests for such service on behalf of business concerns and individuals, but in no case within the continental United States has a station of this class been authorized except for emergency radio communications involving the safety of life and property, in which cases the facili ties are required to be available to general public for emergency communication.

The limitations on the number of frequencies available for assignment to important and necessary services in which public welfare is directly concerned has prevented the allocation of frequencies to a service purely private in character, it was said. Applications for all types of radio communication services must meet the statutory requirements of "public interest, convenience or necessity".

In 1934 the Commission denied the application of a private enterprise in New York City for a radio communication system to communicate with taxicabs. Similar action was taken with respect to an application for a doctors' calling service.

More recently the Commission warned both a street railway company and a light and power system about using special emergency facilities for dispatching purposes. In doing so it pointed out that special emergency stations may be used only during an emergency "jeopardizing life, property, public safety, or for essential public service, or when such an emergency is imminent, for communications relating thereto and for other essential communications".

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PALEY PROPOSES TO SELL 100,000 SHARES OF CBS STOCK

A proposal by William S. Paley, President of the Columbia Broadcasting System, to sell 100,000 shares of stock in the network was disclosed this week with the filing of a registration statement with the Securities and Exchange Commission. After the proposed sale, Mr. Paley will remain the largest individual stockholder of the company, with 348,636 shares, or just more than 20 percent of the outstanding shares. At present he owns 448,636 shares, or 26 percent of the stock. The purpose of the sale, Mr. Paley announced, is to enable him to diversify part of his large personal holdings in this one company.

The registration statement says that at a recent meeting of the Board of Directors, Mr. Paley entered into a new contract to continue as president of the company for a new five-year term commencing on January 1, 1941. He has headed the organization since a year after its formation in 1927.

A total of 20,000 Class A and 80,000 Class B shares, of which 950,799 and 758,924 respectively are outstanding, is in the offering, which will be made by a banking group consisting of Harriman Ripley & Co., Lehman Brothers, Glore, Forgan & Co., and W. E. Hutton & Co. It is expected that the offering price will be at the market.

Net income of the company in 1939 was $5,001,529, or $2.93 a share, against $3,541,741, or $2.07 a share, in 1938, it was announced.

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MUSICIANS RUSH TO AID BUCK AFTER ARREST

Gene Buck, President of the American Society of Composers, Authors, and Publishers, apparently is winning considerable public support in his latest row with the broadcasters while awaiting an extradition hearing at Phoenix, Ariz., on March 5th.

His bond was reduced from $10,000 to $750 and the music faculty of the University of Arizona rushed to his defense following his arrest on a telegraphic warrant from Montana charging him with attempting to collect money under false pretenses in connection with the ASCAP's policy of collecting fees for the broadcasting of music copyrighted by its members.

Meanwhile, several prominent Arizonians offered their aid in any fight Mr. Buck wishes to make against extradition. Oscar Colcaire of the University of Arizona Music Faculty telegraphed:

"We have telegraphed the Governor of Arizona protesting against your extradition and asking for an opportunity to appear in your behalf. You have our wholehearted support in your fight for the American composer."

County Attorney Edward T. Dussault of Missoula, Montana, said charges against Mr Buck and other ASCAP officials are based on their request by registered mail that radio stations, theaters and others pay certain sums to ASCAP or face revocation of licenses to play music owned by ASCAP.

"It's a case of the law being used for selfish interests", Mr. Buck responded. "Montana has not paid an author or composer in the United States for three years. It is unwilling to pay for music, the raw material which keeps the radio microphones operating."

The warrant served on Mr. Buck in Arizona is the same as one which New York City authorities recently refused to take action on.

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The Capital Broadcasting Co., of Washington, D.C., has amended its original application for a new radio broadcasting station by asking for a frequency of 1,420 kilocycles. This company, which is headed by Stanley Horner, several weeks ago filed an application for the new station on a frequency of 1310 kilocycles. However, the Federal Communications Commission has since granted an application of Lawrence J. Heller for a station on the 1310 kilocycle frequency, which automatically eliminated the Capital Broadcasting Company's request.

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TRADE NOTES

National and local spot sales on WEAF and WJZ for January and February, 1940, ran 68 percent ahead of the same period in 1939, Maurice M. Boyd, Sales Manager of the division, has announced. At the same time, Mr. Boyd revealed that during 1939 national and local spot business increased 28 percent over the previous year.

Mrs. Hannah J. Walker, mother of Commissioner Paul A. Walker of the Federal Communications Commission, died last week as a result of burns, according to an Associated Press dispatch from Washington, Pa. She received the injuries last Wednesday when her clothing caught fire. She was 81 years old. Commissioner Walker left last Thursday for the West Coast, where he had been assigned to conduct a series of hearings involving controversies over telephone rates in that section.

Offering the most complete weather information in the metropolitan area, WOR launched last week a new series of early morning programs, 7 to 7:03 A.M., EST, Mondays through Saturdays, from the headquarters of the U. S. Weather Bureau in downtown New York. With Dr. James H. Kimball, or one of his assistants, at the microphone, the new weather service for WOR listeners will cover in detail predictions for New York, New Jersey, Pennsylvania, Connecticut and adjacent regions.

The Columbia Broadcasting System has intensified its agricultural news coverage through the formation of a unique "farm news network", covering the entire country, according to Leon Levine, CBS Assistant Director of Education. The newly-formed network functions as a press association for radio farm news, with agricultural reporters planted in each of the nation's key farming centers. Their news-gathering will broaden the coverage and scope of the Columbia Country Journal, heard each Saturday over CBS at 12:00-12:30 P.M. The series originates at Station KMOX and features Charley Stookey, CBS Director of Agricultural Activities and director of the new network.

Expanding its radio program, the New York City Board of Education will conduct the record number of 178 classroom broadcasts this term, according to Miss Regina C. M. Burke, Associate Superintendent of Schools in charge of radio. Started experimentally a year ago, the school broadcast is now an important part of the classroom work. However, Miss Burke declared that no definite decision had been made as to its future. A committee of educators is now studying the question, and until all factors have been carefully analyzed the Board will make no long-range decision.

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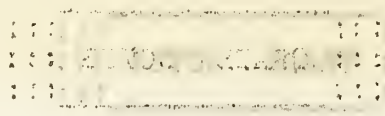

PETITIONS BACK PROPOSED BAN ON RADIOS IN TAXICABS

Backing the Broadway Association's campaign to eliminate taxicab radios, a petition signed by forty-two taxi companies, operating 5,197 cabs in New York, was delivered to the Police Department Saturday by H. Frederick Bright, Managing Director of the Association. In addition, Mr. Bright presented a number of letters from organizations and private citizens concurring in the Association's stand that taxicab radios are a nuisance, an accident hazard and create unnecessary noise.

Radios were installed in cabs by permission of the Police Commissioner in October, 1933, at which time it was the opinion that radios would be a convenience to patrons and stimulate business.

Some operators are about to bring out new model cabs to replace the present equipment and they do not favor installation of radios, except as a driver appeal.

Police Commissioner Valentine has instructed Fourth Deputy Commissioner O'Leary to confer with representatives of the operators, cab drivers and the public, according to the Broadway Association. The question will be decided before April 1, 1940, at which time the hack license period expires.

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MBS SHAREHOLDERS RATIFY NETWORK EXPANSION PLANS

Members and shareholders of the Mutual Broadcasting System, meeting at the Drake Hotel last week ratified members' contracts, and accepted shareholders' agreements and discussed plans for the further development of the network by the Board of Directors and the newly formed operating board.

Attending the meetings, which were presided over by W. E. Macfarlane, President of Mutual, were: W. E. Macfarlane, E. M. Antrim and Edward W. Wood, Jr., of WGN, Chicago; Theodore C. Streibert of WOR, Newark; Lewis Allen Weiss, Don Lee Broadcasting System; John Shepard, III, Colonial Group; H. K. Carpenter of the United Broadcasting Company of Cleveland and Columbus, Ohio; J.E. Campeau of CKLW, Windsor-Detroit; Hulbert Taft, Jr., of WKRC, Cincinnati, and Fred Weber, General Manager of Mutual.

Edward W. Wood, Jr., Sales Manager of WGN Chicago, was appointed Sales Manager for the Mutual network, a post previously unfilled, and will take over Mutual sales within a short time. Mr. Wood will make his headquarters in New York. He has been a member of WGN's sales staff for eight years. He sold local time in Chicago for a year before opening a sales office for the station in New York, which post he held for two years. Five years ago he was named Sales Manager of WGN.

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GRISWOLD, V.P. OF I. T. & T., DIES

Col. A. H. Griswold, Vice President and Director of the International Telephone and Telegraph Corporation, died last Saturday at the New York Hospital at the age of 60 after a brief illness.

Colonel Griswold had been a leader in the communications industry. He was Director of Telephone and Telegraph Services of the A.E.F. in the World War, and was cited by General John J. Pershing for "exceptionally meritorious" service. He was a former Executive Vice President of the Postal Telegraph and Cable Corporation, and had played an important part in forming the American Telephone and Telegraph Company's radio policies during the early Nineteen Twenties.

Colonel Griswold had been in charge of the I. T. & T. telephone and radio operating subsidiaries providing telephone service in Argentina, Brazil, Chile, Cuba, Mexico, Peru, Puerto Rico, Rumania and Shanghai, and was director of many other associated companies.

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TELEPHONE TOTAL REACHES 20,800,000

An all-time peak of about 20,800,000 telephones were in operation at the end of 1939, the Commerce Department reported today. In an analysis of the communications industry, which will appear in the annual review edition of the Survey of Current Business, a Department of Commerce publication, March 1, it is reported that the last year saw an increase of about 846,500 telephone stations over those in operation in 1938.

Operating revenues of 90 major communication carriers for the first ten months of 1939 amounted to $1,012,700,000, as compared with $962,000,000 for a similar period in 1938. Net operating revenues for ten months of 1939 showed a 12 percent increase over the $301,000,000 figure set in the first ten months of 1938.

In the telegraph industry, improvement in general economic conditions during the last year brought about a marked reduction in the net deficit which has been characteristic of the industry in recent years. Operating revenues of the three telegraph carriers reporting to the Federal Communications Commission were $96,690,000 in the first ten months of 1939, an increase of 4 percent over the first ten months of 1938.

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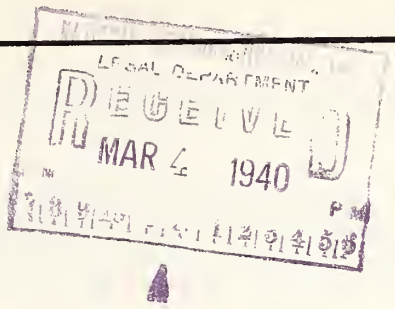
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



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No. 1213

March 1, 1940

LIMITED COMMERCIALIZATION ALLOWED TELEVISION

Acting with unexpected alacrity, the Federal Communications Commission on Thursday announced that it had approved new rules for television which permit limited commercialization, beginning September 1, but denied the freezing of standards.

The action was taken in the face of a plea from frequency modulation broadcasters that the FCC defer action on television until it had heard the case of the "F.M." group, which on March 18 will ask for more ultra-high frequencies.

The channels already assigned to television remain unchanged pending consideration of testimony at the Commission's hearing on "F.M." broadcasting on frequencies above 25,000 kilocycles.

The present state of flux of television does not warrant confining standards, but development of the industry does merit limited commercial operations in the near future, the FCC declared in a unanimous report.

"That research should not halt and that scientific methods should not be frozen in the present state of the art is fairly to be deduced from the engineering testimony of representatives of the companies represented at the hearing", the FCC said in its report, adding: "Actual demonstrations to members of the Commission indicate the need for further improvement in the technical quality of television. The evidence before the Commission reveals a substantial possibility that the art may be on the threshold of significant advance. Research in fact does and should continue in significant phases of the field."

The Commission asserted that nothing said in the report should "be construed as a lack of confidence in the future of television". It hails television as "a mighty achievement" and credits pioneers in the field with making "great advances".

"We feel that potentially television is of tremendous value to the public generally", the Commission continued. "Even now, there is no reason apparent why those members of the public to whom regular television programs are available, who are conscious of the fluid state of the art, and who are willing to assume the financial risks involved for the obvious benefits of current programs, should not acquire receivers. Nor is it suggested that television broadcasters should be barred from going forward in program production and sponsorship. The progress made by the industry is worthy of recognition, and the present state

of the art renders appropriate the further steps permitted by the rules being established."

In general, the rules being issued are based substantially on the rules proposed by the Commission's Television Committee on November 15th, last. Two classes of television stations are set up. Class 1 stations will carry forward technical investigations and may be assigned to more than one channel. Class II stations are designed to experiment in program production and technique and will operate on one channel only. Under proper showing, a license may incorporate provisions for both classes.

Beginning September 1, Class II television stations may begin limited commercial operations under which advertising will be permitted in connection with programs the cost of which is borne by sponsors. The rules stress, however, that emphasis on the commercial aspects of the operation at the expense of program research is to be avoided.

In not attempting to impose standards at this time, the Commission recommends that the industry itself eschew such restrictions. The report explains:

"Enough has been said to indicate the present state of flux of television and the fact that its progress still continues. The issuance or acceptance of transmission standards by the Commission, especially in combination with the more extensive experimental program service which will in all probability develop under these rules, would have a tendency to stimulate activity on the part both of manufacturers and the public in the sale and purchase of receivers for home use. It is inescapable that this commercial activity inspired and then reinforced by the existence of Commission standards would cause an abatement of research. To a greater or less extent the art would tend to be frozen at that point.

"Even more important, nothing should be done which will encourage a large public investment in receivers which, by reason of technical advances when ultimately introduced, may become obsolete in a relatively short time. The Commission has not overlooked the significant sums invested by pioneers in making possible our present knowledge of television, and it is not unsympathetic with their desire to recoup their investment in the process of bringing television's benefits to the public. It will be realized, however, that the loss to the public by premature purchase in a rapidly advancing field might in a relatively short period exceed many times the present total cost of research. Such an economic loss in the long run can rebound only to the harm of the industry. In view of the apparent proximity of improvements and of the resolution of disputed technical questions, these risks should not be taken. The Commission is, therefore, reserving the matter of issuing standards for consideration at some future time."

The Commission hopes that the members of the industry "will make every effort to obtain and maintain informal unanimity of opinion among themselves so that their new proven valuable assistance may be available to the Commission in serviceable form" when the time comes to consider standards. In this connection, the Commission suggests attention to marketing of receivers capable, insofar as consistent with reasonable cost, of receiving or of being adjusted to receive any reasonable change in methods of synchronization or changes in number of frames or lines which may be found to be practical and licensed in the future operation of Class II stations. Increased size of receiving set screens, it feels, is essential to widespread public acceptance of television. The Commission is also of the opinion that continued experiments in the staging and studio aspects of television performances are necessary.

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JOHNSON BILL, FACING FILIBUSTER, IS AMENDED

Threatened with a filibuster by reason of a tie-up with the anti-lynching bill, the Johnson bill to prohibit radio advertising of alcoholic beverages may be amended in a new effort to have it enacted into law.

Senator Johnson (D.), of Colorado, this week introduced a substitute to his original measure, restricting the ban to stations which are heard in dry States.

The revised bill reads, in part, as follows:

"That (a) no radio station for which a license is required by any law of the United States, and no person managing or operating any such radio station or financially interested therein, shall directly or indirectly charge to or receive from, or attempt to charge to or receive from, any person any money or other valuable consideration in full or part payment for the service of broadcasting by radio any advertisement of, or information concerning, any alcoholic beverage or any person engaged in the business of manufacturing or selling any alcoholic beverage, if the purpose of such advertisement or information is to induce the purchase or use of any alcoholic beverage, and if the broadcast of such advertisement or information (1) is received or is receivable by means of any radio receiving set located in any State, or any political subdivision of a State, in which the purchase or sale of such alcoholic beverage for use as a beverage is not permitted; or (2) is received or receivable by means of any radio receiving set, located in any State of the United States or any Province of the Dominion of Canada, during such hours as the broadcasting of a similar advertisement or similar information by a radio station located in such State or Province is prohibited by the laws or regulations of such State or Province."

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"F.M." DEMONSTRATION AMAZES HARD-BOILED PRESS

A demonstration of the reception of frequency modulation broadcasts atop the Ritz Tower in New York City Thursday night by Maj. Edwin H. Armstrong, its inventor, brought highly favorable comments from a gathering of newspaper men and radio officials.

The broadcasts originated in Yonkers and were picked up and rebroadcast by Major Armstrong's station at Alpine, N.J. Although the Ritz Tower reception was of the Alpine station, the broadcasts were relayed, without use of wires, to three other "F.M." stations and to three standard broadcast stations.

The reception of piano and violin solos and even a phonograph record was of marked clarity and faithfulness. An assistant at Alpine poured water, sawed and shaved wood, and sounded bells in a subsequent broadcast to show how every note was carried to the receiver.

Major Armstrong, reciting the difficulties of "selling" frequency modulation broadcasting to the industry and to the Federal Communications Commission, predicted that a network of stations will be in operation by mid-summer.

The present obstacles to its development, he said, are the 1 kw. power limitation and the scarcity of channels. He expressed hope that these will be removed after the scheduled "F.M." hearing starting March 18.

Fifteen stations are now in operation, he said, and applications are pouring into the FCC for assignments.

A stunt that amazed the newspaper men most was the hook-up of an electric razor to the receiver for both standard and "F.M." reception. The former resembled a buzz saw, with the broadcast all but drowned out, whereas the latter appeared undisturbed.

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SHIP RADIOTELEPHONE INTERFERENCE COMPLAINTS STIR FCC

Monitoring stations of the Federal Communications Commission have been instructed to observe carefully the operation of ship radio stations on their assigned frequency (2738 kilocycles) with a view to the Commission taking appropriate action in cases of irregular operation.

In directing attention to the necessity of full compliance with rules of the Commission relating to ship radio stations, the Commission reports receipt of complaints of an "undue amount of interference", on the frequency assigned to radiotelephone stations primarily for intership communication.

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NEW RADIOTELEPHONE RULES FOR GREAT LAKES ADOPTED

Comprehensive regular rules specifically applicable to the operation of ship and coastal harbor radiotelephone stations in the Great Lakes region, effective April 1, were adopted this week by the Federal Communications Commission. It was previously indicated by notice to licensees and others concerned that this action would be taken as the result of information accumulated during operation under the Special Temporary Great Lakes Rules, which were effective throughout the 1939 season of navigation on the Lakes.

Heretofore, the regulation of maritime telephony on the Great Lakes was governed only by the general rules applicable to all ship telephone and coastal harbor stations. Because of the steadily increasing number of ships of both Canadian and United States registry, which are voluntarily using radiotelephony as a medium of communication, a specialized set of rules is needed to regulate the operation of United States stations, particularly in regard to the use of assigned frequencies below 3000 kilocycles, the FCC said. The new rules will insure that operation of these voluntarily installed stations will be in conformity with the regional working arrangement informally agreed to by the Commission and the Canadian Department of Transport. Also, the rules may be expected to reduce interference to a minimum, and to expedite the exchange of communications.

Since the new rules, applicable only in the Great Lakes region, do not become effective until April 1, any person who may feel that the rules are unsatisfactory in some respect will have an opportunity to bring the matter to the attention of the Commission. Although the rules have been discussed with many of the licensees and other interested parties, it is realized that possible deficiences may be brought to light by actual operation during the forthcoming season of navigation. The Commission will carefully observe this operation and in due time will consider further action with respect to any amendments of the rules which may be necessary or desirable.

In addition to these rules, the Commission approved certain amendments to the existing Section 7.58 of the coastal service rules and to Sections 8.81 and 8.93 of the ship service rules. It also adopted five new rules applicable to coastal stations in general and four new rules applicable to ship stations in general. These latter rules and amendments were approved for the purpose of minimizing interference between stations of the maritime mobile service, in which service a large number of stations necessarily share the use of the same frequencies.

As the result of the Commission's action, all coastal harbor stations operated by United States licensees in the Great Lakes region will be required, during their hours of service, beginning April 1, to maintain an efficient watch on the radiotelephone calling, answering and safety frequency 2182 kc. Like-

wise all ship telephone stations licensed for operation on the regular frequencies within the bands 2100-2200 kc. and 2734-2742 kc. must maintain an efficient watch on the 2182 kc. frequency during their hours of service whenever they are not communicating with other stations. Beginning July 1, these ship stations must be capable of transmitting as well as receiving on this frequency.

The two "working" or "message traffic" frequencies, 2118 kc. and 2158 kc., available for ship telephone stations of the United States are designated by the new rules for assignment to ship stations on board two classes or groups of vessels navigated on the Great Lakes. The frequency 2158 kc. will be assigned only to Great Lakes vessels of more than 1000 gross tonnage, and the frequency 2118 kc. will be assigned to all other United States vessels navigated on the Lakes. By employing this principle, individual ship stations will need to use only one working frequency in the 2100-2200 kc. band, thereby simplifying their equipment. Furthermore, the operation of stations on board yachts, fishing vessels, and miscellaneous small craft will not interfere with the expeditious handling of commercial traffic to and from the large commercial freight and passenger vessels.

The maximum operating power of ship stations will be limited to 100 watts in order to minimize long distance interference and to somewhat stabilize ship equipment design.

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ICKES' RADIO ACTIVITIES HIT IN HOUSE HEARING

Members of a sub-committee of the House Interstate and Foreign Commerce Committee were stirred this week by charges that the Interior Department used its privilege of free time on national radio networks to lobby for particular piece of legislation now before Congress.

The charge was made by Russell B. Brown, general counsel for the Independent Petroleum Association of America, who said that listeners were subtly urged to support a bill to give the Secretary of Interior broad powers to regulate the petroleum industry. The broadcasts, he said, were made in the "What Price America" series, recently dropped from the Columbia Broadcasting System after a 52-week run.

The legislation was not mentioned, the witness said, but programs were presented to show a national panic resulting from a shortage of oil. The broadcasts, he charged, were aimed at arousing an interest in the passage of the Cole Oil Conservation Bill.

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DEVELOPMENT OF NETWORK TELEVISION SEEN

Dr. W.R.G. Baker, Manager of General Electric's Television and Radio Department, predicts that within a short time people in Chicago may see the sun set in New York while the same sun is still high above the horizon in Chicago.

Dr. Baker pointed out that it was only a matter of extending the present television network connecting New York and Schenectady a few more hops to bring New York television programs to Chicago.

The relaying of television programs in New York by General Electric's television station in Schenectady, 130 miles distant, has proved highly successful in its first few weeks of experimental operation, Dr. Baker said.

With the introduction of week-end relays of New York's television programs by General Electric's relay station and transmitter, W2XB, Dr. Baker said, Schenectadians have seen events in New York, such as boxing matches in Madison Square Garden, as plainly as have the residents of Manhattan.

The television director pointed out that the Mohawk Valley leading to the west provides a natural spacing of metropolitan centers to make the network relay from New York to Chicago practicable. Similarly, he said, the network could be extended to Boston and New England.

The proper location and elevation of transmitters and receivers are an important factor in the extension of a television network, Dr. Baker said. While reception of the television signal is theoretically limited by the visual horizon, he added, this is overcome by raising the sending and receiving antennas.

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RADIO MEN HONORED AMONG "MODERN PIONEERS"

Outstanding scientists in the radio industry were honored Wednesday night in New York City at a dinner given by the National Association of Manufacturers in honor of "Modern Pioneers on the Frontiers of Industry". Silver plaques were given the honored guests, which included the following representatives of the radio industry:

Dr. Edwin H. Armstrong, Professor of Electrical Engineering, Columbia University; Dr. William David Coolidge, Director of the Research Laboratory, General Electric Company; Dr. Lee de Forest, Hollywood, Calif.; Dr. Irving Langmuir, Associate Director, Research Laboratories, General Electric Company; Dr. Vladimir Kosma Zworykin, RCA Manufacturing Company.

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TEXAS STATION REVOCATION HEARINGS SCHEDULED

Public hearings have been ordered by the Federal Communications Commission in the cases of six Texas radio stations involved in revocation proceedings. Commissioner George Henry Payne has been designated to sit at the separate hearings which are scheduled as follows: KTBC, State Capitol Broadcasting Association, Inc. (Austin), at Austin, on March 5; KNET, Palestine Broadcasting Association (Palestine), at Dallas, March 7; KRBA, Red Lands Broadcasting Association (Lufkin), at Dallas, March 11; KSAM Sam Houston Broadcasting Association (Huntsville), at Dallas, March 12; KAND Navarro Broadcasting Association (Corsicana), at Dallas, March 11; KGKB, East Texas Broadcasting Company (Tyler), at Dallas, March 14.

In ordering these hearings, the Commission denied motion for continuance of hearing filed on February 26 in behalf of stations KTBC, KNET, KRBA, KSAM, and KGKB.

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AGITATION FOR TELEVISION GROWS IN GREAT BRITAIN

The question of resuming some kind of television service has gained attention in the press and certain quarters of the trade, the American Trade Minister at London reports. Television transmissions at Alexandra Palace, London, were stopped on the outbreak of the war, so that enemy aircraft could not take bearings from the station's ultra short-wave signals and use the station for direction finding.

"One scheme which has gained rather wide discussion in the press and trade provides for television by telephone", the report to the Commerce Department said. "This scheme would enable the television program to be superimposed on existing telephone circuits without interfering with ordinary speech. The sponsor of this scheme, S. Sagall, Managing Director of Scophony, Ltd., London maintains that his television by telephone plan could be available for homes and cinemas at an all-in-cost of 5 shillings a week.

"A copy of the memorandum prepared by Mr. Sagall, explaining and supporting his scheme for television transmission by telephone circuits, is available upon a loan basis upon application to the Electrical Division or through any of the District or Cooperative Offices of the Bureau, as well as comments regarding the plan by leading trade magazines. Naturally the strong fear of British manufacturers is that United States will gain the lead in television under present conditions, as if captured the film market during the last war. 'America would gain absolute commercial and technical supremacy in the field in which we held up to the outbreak of the war undisputed leadership', states Mr. Sagall, in defense of his proposal. A trade paper comments: 'During the Great War the United States was able to steal a march over Great Britain in the film industry, and with the closing down of wireless television in this war for reasons of national defense that country will almost certainly develop television to such an extent that this country will never be able to catch up. Already British television exporters are receiving offers from the United States, and at the moment there is nothing to keep them here.'"

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TRADE NOTES

Station WMAL, owned by the Washington Star, of Washington, D. C., has been named the winner of the annual engineering efficiency award given by the General Electric Company to the NBC-operated station with the lowest total of lost time through technical failures. It marks the second consecutive year WMAL has received the award. WMAL was off the air only one minute and two and one-half seconds during its regular operating schedule of more than 6600 hours during 1939.

Ernest M. Werner, formerly with the Market Research Department of Young and Rubicam, Inc., has been named supervisor of all Columbia Recording catalogues and supplements by Patrick Dolan, Sales Promotion Director. In his new post, Mr. Werner will also direct, catalogue and supplement work for Brunswick and Vocalion popular records. In addition, he will handle Columbia's foreing language catalogues.

A recorded series of thirteen safety programs, produced by the American Legion, will be shipped this week by the NBC Radio-Recording Division to 325 stations in the United States. Second annual transcribed series produced by the Legion under the title "The Legion of Safety", the 15-minute recordings are scheduled to be presented weekly, beginning March 4, and running through May 27.

The American Minister at Montevideo reports that the Uruguayan exchange control has allowed $480,000 controlled exchange for imports from the United States of several commodities, including radio materials.

The tobacco industry, showing a 100 percent increase for the first month of this year over January, 1939, now is the third leading industry in expenditures on the Blue and Red Networks of the National Broadcasting Company. A breakdown of present NBC billings reveals the greatest weekly expenditure by tobacco interests in the history of radio. It shows a total of $133,100, an increase of 100 percent over January, 1939, when the weekly billings were $66,400, and an increase of 125 percent over weekly billings in January, 1938, when the figure was $59,100.

"Columbia Workshop Plays", containing 14 radio dramas, has just been published. The radio plays were selected and edited by Douglas Coulter, Assistant Director of Broadcasts for the Columbia Broadcasting System. The book sells for $2.75.

For the second consecutive year, Station WGAR, Columbia Broadcasting System outlet in Cleveland, has won the plaque awarded by Commercial Investment Trust, Inc., to the radio station adjudged to have done most to promote traffic safety by unusual and effective programs.

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BUCK WINS FIGHT WITH MONTANA BROADCASTERS

Governor Roy E. Ayers, of Montana, refused this week to ask extradition of Gene Buck, President of the American Society of Composers, Authors and Publishers, from Arizona on a charge of obtaining money under false pretenses, according to the Associated Press.

Mr. Buck was arrested at Phoenix, February 22, on a telegraphic warrant from Missoula, Mont.

County Attorney Edward T. Dussalt, of Missoula, said the charges were based on ASCAP notification to Montana radio stations and other enterprises that their licenses to play ASCAP-owned music would be revoked unless demands for payments were met.

Schwartz & Frohlich, general counsel for the American Society of Composers, Authors and Publishers, declare ASCAP is preparing to retaliate against the Montana broadcasters who caused the arrest of Mr. Buck. ASCAP, according to Variety, The law firm will ask the U. S. Department of Justice to bring indictment proceedings against Ed Craney, A. J. Mosby, J. Jacobsen and C. O. Campbell on the ground that they have wilfully and persistently violated the copyright law, it said. The Society has to date brought 110 infringement suits against the Montana broadcasters.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
RECEIVED
MAR 6 1940

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No. 1214

March 5, 1940

"CONFUSCIUS SAY" JOKES TOO MUCH FOR FCC

The Federal Communications Commission was compelled to inform a complaining listener this week that it has no authority to order a broadcasting station to stop putting "Confuscius Say" jokes on the air. A Pittsburgh listener had complained.

This complaint was but one sample of a variety of inquiries and protests that come in a day's mail to the FCC.

A New York man complains that a local station declined to give him time on the air to broadcast a particular speech. Under the Communications Act, broadcast station licensees are not deemed to be common carriers and they may therefore, with the exception of certain broadcasts by legally qualified candidates for public office, refuse to accept material offered.

Another New Yorker inquires whether it will be permissible to broadcast a particular program. The Commission does not have authority to censor programs, and it is not the policy of the Commission to render such advance opinions. It is the duty of each station to determine whether the broadcasting of a certain program will be in the public interest and in accordance with the law.

A Shickshinny, Pa., woman charges that a certain station broadcast two musical compositions similar to those composed by herself. This is a matter of private concern between the woman and the station, and the Commission has no jurisdiction.

Several letters imply that the Commission has "ruled" various persons off the air. The Commission has entered no order denying any individual the right to broadcast, nor would it have authority under its statute to do so.

A McGuffy, Ohio, firm inquires if it can use telegraph facilities in connection with the proposed gift of a carload of onions to the holder of a lucky number. Though the Communications Act prohibits broadcast of "any advertisement of or information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance", the Act does not contain a similar prohibition with respect to the use of wire facilities of common carriers engaged in communication service.

A Purdin, Mo., letter inquires as to the cost of construction permit and license for a broadcast station, also for radio operator. The Commission makes no charge for these authorities. Likewise, the Commission advises a London, Ohio, inquirer

that no Federal license is required to cover the ownership of radio receivers in the United States.

A Jerome, Ariz., writer asks the Commission to recommend a radio receiver. The Commission does not maintain facilities for the testing of radio receiving equipment and is not in a position to advise with respect to the relative merits of receivers of different manufacture.

Regarding Government station assignments, an inquirer is advised that the Commission merely assigns blocks of frequencies, as well as certain call letters, to the Government departments, and that these facilities are in turn allocated various activities at the discretion of the department having jurisdiction.

A New York corporation is advised that although vessels of Philippine registry fly the United States flag, they are registered in the Philippines, and their radio equipment is licensed by the Philippine authorities. Various sections of the Communications Act exclude the Commission from jurisdiction in those islands.

Bethany College makes application for modified license for amateur station W8PME with a view to making it a memorial to Amos Dolbear in recognition of his radio pioneering and work at that college.

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FUND OF $150,000 SOUGHT TO PUSH DITTER BILL

A solicitation campaign to raise $150,000 to promote the Ditter bill to amend the Communications Act was inaugurated this week by the National Committee to Uphold Constitutional Government. Sumner Gerard, Treasurer, in letters distributed throughout the broadcasting industry asked for contributions from $10 up.

"Your active cooperation is needed in support of the Ditter Bill amending the Federal Communications Act to guarantee free speech on the air and protect your business in radio", the letter stated.

"Intolerable uncertainty, as you know, surrounds the entire industry. The requirement of yearly renewal of radio station licenses places the station owner at the mercy of the FCC and jeopardizes the investment of every station stockholder. This is one of the conditions which the Ditter Bill will remedy.

"Another and more serious menace to future stability of radio, which the Ditter Bill is designed to remove, is the Executive control established under the Communications Act of 1934. By authority of Section 606, the President, after declaring an emergency, may censor, control, dismantle or take over and operate as a government monopoly any radio station or all the radio stations

in the country. Mr. Roosevelt declared such emergency on September 8, 1939. We are hearing radio programs today by sufferance, when it should be our right.

"What would it not mean to you and to all radio stations, to advertisers using radio, and to the general public, to have this invisible but potentially absolute censorship removed? The public has a right in a democracy to hear all sides of any question freely discussed, uninfluenced by government. Radio should be given the same protection and security as is enjoyed by our free press. Newspapers operate in an atmosphere of security because they know that the constitutional guarantees of free speech have been explicitly applied. The Ditter Bill would establish the same condition for radio. . . .

"Strongly entrenched forces that we do not need to name will work in Washington to oppose this bill. Bureaucratic and political control over enterprise, once established, clings to its power and resists legislation that would curbe it.

"We are confident that if the program that we have outlined is carried through on an effective nation-wide scale by press releases, radio talks, direct mail efforts, etc., public opinion will crystallize on this issue. Once the public understands how important it is to surround radio with the protection the Bill of Rights guarantees to free speech, public opinion will compel enactment of this legislation.

"To carry forward this year's general work of the Committee in support of Constitutional Government and free enterprise, including the cost of special work on the radio issue, our Committee needs a fund of $150,000. In addition to the very heavy expenditures already made on radio in reaching 967,000 individuals, we should have $50,000 for use in a special, nation-wide educational campaign to develop public opinion supporting security and free speech for radio.

"We are asking you and others directly interested in the radio industry to help supply this amount. The gods help those who help themselves. Will you fight with us to protect your own and your stockholder's vital interests? We are directing this request to station owners, radio advertisers, advertising agencies, and radio sets and parts manufacturers.

"To meet our budget we must have, aside from the support received in thousands of small contributions, some in more substantial amounts. We need checks for $10, $25, $50, $100, $250, $500 and a few for larger amounts."

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UNSETTLED CONDITIONS CITED IN LICENSE RENEWALS

The Federal Communications Commission this week granted renewal of radio telegraph licenses of R.C.A. Communications, Inc., and Mackay Radio and Telegraph Co., Inc., for inactive circuits on the ground that present world conditions would make it unwise to delete them.

R.C.A. Communications stations involved were KQR, KKW and KET, while Mackay stations were WDY, WKS, WIV, WIN, WIB, WML, and WAH.

The Mackay applications were designated for hearing due to the inactivity of certain authorized primary points of communication, namely, Berlin, Germany; Madrid, Spain, and Paris, France.

"The Commission finds that because of unsettled conditions existing in Europe, public interest, convenience and necessity would not be served by the deletion at the present time of Berlin, Madrid and Paris, as authorized points of communication", the FCC stated, "and ordered that the temporary authority contained in licenses of Stations WDY and WIB to communicate with Berlin, Germany, WIV WAH and WKS to communicate with Madrid, Spain, and WIN and WML to communicate with Paris, France, be retained in the licenses, subject to certain conditions and limitations."

R.C.A. Communications applications for renewal of licenses were designated for hearing due to the inactivity of certain authorized primary points of communication, namely, Melbourne and Sydney, Australia.

"Under the unsettled conditions existing throughout the world, the Commission finds that public interest, convenience and necessity would not be served by the deletion at the present time of Melbourne and Sydney, as authorized points of communication, and ordered that the temporary authority contained in the licenses of these stations be retained in the licenses subject to certain conditions and limitations", the FCC stated.

Because the Polish republic is no longer in existence, the FCC on the same date formally dismissed without prejudice a long-standing application of Mackay Radio and Telegraph Company, Inc. for modification of its fixed public service licenses of point-to-point telegraph stations WKS, WJH, WIV, and WAH, at Brentwood, N.Y. to add Warsaw, Poland, as a primary point of communication.

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RADIO EDUCATIONAL AIDS LISTED BY U. S. AGENCY

A new national depository and library of scientific aids to education - the Educational Radio Script Exchange, serving a rapidly growing development of local school and civic groups actively interested in educational radio - this week published its first complete printed list of services for furthering the cause of American education.

The Script Exchange, created by the Federal Radio Education Committee in October, 1936, to serve as a clearing house for Educational Radio Scripts and other information, lists in its new publication the four major services of the exchange. These are: (1) Radio Scripts; (2) Production Aids; (3) Information and Idea Exchange; and (4) Recordings.

U. S. Commissioner of Education John W. Studebaker in his capacity as Federal Radio Education Committee Chairman, said:

"Since its establishment three years ago, the Script Exchange has filled requests for more than 250,000 copies of scripts received from about 12,000 groups in all parts of the country. The steadily expanding service of the Exchange has been made possible through the cooperation of several hundred local educational and civic organizations, Government agencies, and radio stations. These sources have contributed approximately 3,000 educational scripts to the files of the Exchange during the past three years."

Five hundred and thirteen programs selected by a special script-reviewing committee on the basis of quality, and on the kinds of requests for program material which are constantly pouring into the Exchange, are listed in the new Fourth Edition Catalog. Through the Exchange's Circulating Library these scripts are now available to qualified groups actively interested in educational radio. Scripts may be borrowed for a period not exceeding four weeks. There is no charge for this service.

Coincident with the publication of the new catalog, the Script Exchange reports that to date, 4,304 organizations have used series of scripts from the Exchange. This figure does not include thousands of additional groups which have received individual scripts, production aids, and general information. It covers only those organizations which have received at least one complete series of scripts. Data compiled during the survey shows that the scripts were used for production on the air; over sound systems, for mock-broadcasts, in radio work-shops, and as aids to social studies.

The Federal Radio Education Committee was set up by the Federal Communications Commission on December 18, 1935, to serve a two-fold purpose: (1) To work for the elimination of controversy and misunderstanding between educators and broadcasters, and (2) to help promote active cooperative efforts between the two groups.

The Fourth Edition Catalog is one of a series of publications designed to promote more effective local broadcasting and educational and civic organizations. (Copies may be obtained at 10 cents each through the Educational Radio Script Exchange, U. S. Office of Education, Washington, D. C.)

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TROOPS LIKE FEW TALKS, MORE VARIETY, BBC FINDS

Inaugurating a full 12-hour broadcasting program service for His Majesty's soldiers, sailors, and airmen on active service at home and abroad, the British Broadcasting Corporation has discovered by a survey that the fighting forces want few talks and much variety entertainment.

The BBC conducted a systematic inquiry into what kind of programs are most likely to satisfy those for whom this service is intended, the Radio Times said. All kinds of evidence has already been received from officers and men of the Navy, Army and Air Force. The Director-General of the BBC has himself visited France to try to ascertain at first hand the likes and dislikes of the British Expeditionary Force and the Royal Air Force in France in particular.

On the basis of this survey, the BBC made various general assumptions, the Radio Times continued. "One is that most active service listening will be group listening. That is to say, the picture that the program planners have in mind is of at least half-a-dozen men grouped round one loud-speaker rather than of a single listener sitting in solitary concentration by his own fireside. A second safe assumption, arising out of the first, is that light programs will always be more acceptable, the kind of programs that do not suffer unduly by interruption, either by conversation or by the call of duty - indeed, the kind of programs that may even be enhanced by communal enjoyment and a running exchange of comment.

"Thus the BBC offers to this special audience of listeners plenty of Variety entertainment, both from the studio and from theatres; of dance-band programs (from France as well as from Britain); of theatre-organ broadcasts, both from St. George's Hall and from cinemas where leading artists play; and outside broadcasts from theatres of excerpts from musical shows and revues.

"There will be radio thrillers, community singing, students' songs, and all possible kinds of sports broadcasts as they come along. One particular sports broadcast of special interest should awaken the eager anticipation of the Canadian troops; this is the recording for half-an-hour every Sunday evening of a commentary from Canada on the best of the previous day's ice hockey games.

"Talks will be few. They will include two weekly talks on sport, on Thursdays and Saturdays, when well-known sportsmen will be broadcasting. On Tuesdays that very human speaker John Hilton will talk about activities on the home front. Also on Tuesdays, every other week, there will be a fortnightly report, a kind of news-letter, from the Navy and Air Force, to keep the Army informed of what the other two Services are doing and how they are faring. Finally, there is 'Close Up', a feature that will cover all news of the world of entertainment.

"In response to an already considerable demand there will be simple and entertainingly-devised lessons in Frence twice a week.

"Each day's broadcast will open with a summary of the programs to be heard during the day, and will close with a similar summary for the following day."

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RULE ON DISK ANNOUNCEMENTS MODIFIED

The Federal Communications Commission last week amended Section 3.93(e) of the Standard Broadcast Rules, effective immediately, to read as follows:

> "(e) The identifying announcement shall accurately describe the type of mechanical record used, i.e., where an electrical transcription is used it shall be announced as a 'transcription' or an 'electrical transcription', or as 'transcribed' or 'electrically transcribed', and where a phonograph record is used it shall be announced as a 'record'."

It will be noted that this amendment modifies the amendment to this rule adopted January 4, 1940, so as to permit the use of the word "transcribed" or "electrically transcribed" in announcing the use of electrical transcriptions. However, no change has been made in the provision with respect to the announcement of phonograph records.

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RADIO FOURTH IN ADVERTISING MEDIA

Printer's Ink last week carried an estimate of the total volume of advertising in the United States for the year 1939 at $1,602,000,000. This figure is divided between the various media as follows:

Newspaper	$525,000,000
Magazine	150,000,000
Direct Mail	300,000,000
Radio	170,000,000
Out Door	50,000,000
Business Publications	50,000,000
Farm Publications	17,000,000
Miscellaneous	340,000,000

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TRADE NOTES

Walter Guthrie, son of F. P. Guthrie, District Communications Manager of R.C.A. Communications, Inc., and The Radiomarine Corporation of America in Washington, has just been elected a member of Phi Beta Kappa at Washington and Lee University, Lexington, Virginia.

Telephone operating subsidiaries of the International Telephone and Telegraph Corporation in nine foreign countries continued their gains during January with an aggregate net increase of 6,955 telephones for the month compared with 6,646 gained in January, 1939; 5,776 in 1938; 4,125 in 1937, and 3,493 in 1936. These companies gained 73,521 telephones last year. They operate 844,338 telephones in Argentina, Brazil, Chile, Cuba, Mexico, Peru, Puerto Rico, Rumania and Shanghai, China.

The Washington Evening Star on Sunday began publishing a full page of radio programs for the week. The Evening Star, which has a Sunday morning edition, owns Station WMAL.

Gross billings for time on the Columbia Network - prior to deductions for agency commissions and time discounts to sponsors - totaled $3,330,627 during February, 1940. The February figure brings the two-month cumulative total for 1940 to $6,919,616.

Radio listeners have given almost a third of contributions of $465,061 made so far toward the $1,000,000 goal the Metropolitan Opera Fund, according to Mr. George A. Sloan, Chairman of the campaign committee. Mr. Sloan disclosed that $153,000 of the total had been contributed by the radio audience and that more than half the sum had come in gifts of $1,000 or more.

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ASCAP RAPS NAB FOR BUCK'S ARREST

The Board of Directors of the American Society of Composers, Authors and Publishers asserted Monday that the arrest of Gene Buck, President of the Society, in Phoenix, Ariz., February 22, was part of a campaign of "intimidation and terrorization" by the National Association of Broadcasters.

The Board issued a statement in New York with copies of a resolution condemning the arrest of Mr. Buck on extortion charges and praising Governor Ayres of Montana for refusal to sign extradition papers. It said radio executives had fought for eight years to break ASCAP's collection power for royalties for compowers whose work makes up 70 percent of radio entertainment.

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REPRINTS OF I. T. & T. LECTURES ARE ISSUED

The International Telephone and Telegraph Corporation has prepared reprints of the following lectures and articles prepared by members of the I. T. & T. and its associated companies, according to W. H. Capen, Assistant General Technical Director:

Experimental Researches on the Propagation of Electro-Magnetic Waves in Dielectric (Cylindrical) Guides	By A. G. Clavier and V. Altovsky
High Frequency Transmission Line Networks	By A. Alford
Ultra-Short Wave Oscillators	By D. H. Black
A New Hard Valve Relaxation Oscillator	By D. H. Black
Commercial Radio Telephone Linkes on Ultra-Short Waves	By E. H. Ullrich and A J. Devaud
Voice-Operated Level Control System for Telephone Networks	By A. H. Reeves
The Eiffel Tower Television Transmitter	By S. Mallein and G. Rabateau
Theoretical Relationships of Dielectric Guides (Cylindrical) and Coaxial Cables	By A. G. Clavier
Calculation of Triode Constants	By J. H. Fremlin
An Impulse Measuring Set	By A. S. Grand and D. H. MacNee
Automatic Ticketing of Long Distance Telephone Connections	By W. Hatton
Methods and Apparatus for Measuring Phase Distortion	By M. Levy
General Aspects of Telephone and Telegraph Communications in Europe	By E. M. Deloraine

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BRITISH BOTHERED BY SECRET PROPAGANDA STATION

British Post Office engineers are investigating a secret radio station, calling itself the "New British Broadcasting Station", which has been broadcasting anti-British propaganda. They believe it is a low-power station operating from somewhere in a "distant part of the Continent". The station addressed its broadcast "to every Britisher who loves his country". It attacked the British Government and made an appeal to abandon the war because Britain "never can destroy German unity, which is established in the hearts of its people".

Listeners said the announcer was "almost certainly British", but experts doubted that the station was a mobile pirate outfit. They said it was more likely that some foreign country was using an unauthorized wavelength.

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TOMPKINS HEADS BROADCAST MUSIC, INC.

Merritt E. Tompkins, President of Associated Music Publishers, Inc., and former Vice-President and General Manager of G. Schirmer, Inc., has been selected to head the newly organized Broadcast Music, Inc., an enterprise started by the broadcasters to fight the license fees asked by the American Society of Composers, Authors and Publishers.

Mr. Tompkins, as General Manager of the new publishing organization, explained that it would deal not only with individual writers and composers, but also with publishing houses, transcription companies, groups, and associations here and abroad, and with every one who has music available for public performance.

The new organization, which will welcome the works of young and unknown composers, has begun to build up a catalogue of music, which it expects to release on April 1. It also intends to draw on standard and classical works, many of which have been neglected.

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NEW WOR FM TRANSMITTER BEGINS OPERATIONS

Through the medium of the "frequency modulation" method of radio transmission developed by Maj. Edwin H. Armstrong, WOR's new 1000-watt FM station, W2XOR, this week began offering noise-free, high-quality programs to listeners in the metropolitan area.

W2XOR is the third FM station operating on a daily schedule in New York City. Programs of the Mutual Broadcasting System will be relayed from 12 noon until 12 midnight, EST, for the present, with an increased number of hours of daily service planned in the near future. The new station is heard on a channel of 43.4 megacycles.

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CBS NETWORK PAYS TRIBUTE TO WJSV ON POWER BOOST

The story of WJSV, Columbia's station for the nation's capital - a story interwoven with America's history in this tumultuous age - was unfolded in a special broadcast for coast-to-coast audiences over CBS network on Tuesday (today). This program paid tribute to the Washington station as a part of the observance of "WJSV Week", celebrating its increase in power from 10,000 to 50,000 watts.

How Harry C. Butcher, CBS Vice President, introduced the term "fireside chat" as a choice bit of Americana describing the President's intimate radio talks to the country, is depicted in one of the episodes.

The District of Columbia's Board of Commissioners has officially proclaimed March 4 to 9 as "WJSV Week". Special eight-page supplements to observe the occasion have been issued by the Washington Post and Washington News.

Shift from the present 10,000 to 50,000-watt WJSV transmitter takes place officially Thursday, March 7, with A. D. Willard, General Manager of WJSV, at the switch. The newly-completed $300,000 transmitter in Wheaton, Maryland, on the outskirts of Washington, has three 340-foot towers.

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G.E. DEVELOPS NEW TYPE TELEVISION ANTENNA

A semi-cubical or V-shaped television transmitting antenna which promises improved clarity and detail of pictures has been developed by General Electric engineers and installed in the Company's new station W2XB, in the Helderbergs.

The half-cub-shaped equipment somewhat resembles two large V's mounted one above the other, and is made up of four radiating elements each about nine inches in diameter and seven feet long. Constructed of aluminum, the elements taper at the ends pointing to the apex of the V and are mounted atop a 60-foot pole adjacent to the transmitting station.

The antenna is non-directional in effect and has been found in tests to result in a stronger picture signal than was obtained from previous types of antennas.

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CBS KEY STATION SILENT 6½ HOURS

Station WABC, New York City, key outlet of the Columbia Broadcasting System, set a new record in modern radio for enforced silence Monday when its transmitter was put off the air for six and a half hours by a power failure caused by a storm. Since the break affected only the station and did not extend to the network, the losses in unfulfilled contracts with sponsors were estimated to have been limited to about $7,000, according to the N.Y. Times.

Ten thousand telephone calls clogged the switchboard at CBS headquarters, mainly from housewives, anxious to learn why favorite daytime programs, especially dramatic serials, could not be tuned in, a representative of the station said.

Station WOR, local outlet of the Mutual Broadcasting System, offered the use of its auxiliary transmitter to WABC, but before the necessary preparations could be completed, the crippled station had resumed operations under its own power.

The only other metropolitan broadcasting station to be affected by the storm was WINS, operated by Hearst Radio, Inc., which was mute for nine minutes beginning at 10:30 A.M., when its transmitter at Carlstadt, N.J., went dead.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1215

HOUSE CURBS SECRETARY ICKES' RADIO ACTIVITIES

A prohibition against the use of Government funds for radio broadcasting to influence the passage or defeat of any legislation pending before Congress was voted by the House Thursday after programs prepared by the Interior Department's Radio Section were denounced by several members.

The outburst was occasioned by a broadcast carried in the "What Price America" series of programs prepared by the Interior Department's radio section and broadcast over a CBS network.

Upon motion of Representative Gossett (D.), of Texas, the House by unanimous consent adopted a rider to the Interior Department Appropriations Bill which reads:

"That no part of the appropriation made available to the Office of the Secretary by this section shall be used for the broadcast of radio programs designed for or calculated to influence the passage or defeat of any legislation pending before the Congress."

The attack on Secretary Ickes' radio activities was started by Representative Taber (R.), of New York, who proposed a horizontal reduction of $185,000 in the fund for the Secretary's varied publicity operations. Mr. Taber said his amendment was designed to halt the "vicious propaganda" emanating from the Interior Department.

"When it comes to the point that the operations of a department are such that it must put somebody on the radio with arguments suggested by it every day in the year, we are getting into a situation that is intolerable", he said.

After Representative Taber's amendment had been rejected, Congressman Gossett offered his proposal and explained it thus:

"Mr. Chairman, I come not to attack or condemn the Department of the Interior that has done much splendid work. This amendment proposes to protect the Department of the Interior and the Congress from the folly and the danger of political broadcasts paid for out of the public purse.

"The section of the bill just read appropriates $874,950 to the office of the Secretary of the Interior. Included in this appropriation for the Secretary's office are funds for the radio section of the Information Division of the Department of the Interior. Concerning this radio section, Secretary Ickes, in the hearings on this bill, testified as follows: 'The Information

Division proper remains as it was, and it has been very successful in serving the bureaus during the past year. There is included in our estimates, however, the transfer of a radio section, consisting of eight persons, having salaries totaling $21,660, who have heretofore served the Department but been financed by the Public Works Administration.'

"Then I notice in the report on this bill under increases in contingent expenses an item for radio broadcasting records of $3,000.

"So far I am not complaining. The Department is to be commended for the number of entertaining and educational programs broadcast during the last year. The people of this country are entitled to full and complete information concerning their Government and its many services to them. I hope more and better programs of information and entertainment may be furnished them as time goes on. But all the programs have not been of this character. Several broadcasts have gone entirely outside and beyond the field of education or information. Our able colleague the gentleman from Maryland (Mr. Cole) has introduced in this Congress a bill enthusiastically sponsored by the Department of the Interior which would provide for the absolute Federal control of the oil business of this country, such control to be in the Department of the Interior. This is not the place for, and time does not permit, a discussion of the merits of this Cole bill. Suffice to say, it is highly controversial. In an obvious effort to build up sentiment for this bill, the Department of the Interior through its radio section staged several broadcasts that would rival Orson Welles' melodrama on the Men From Mars."

After reading an excerpt from the script, Representative Gossett concluded:

"Doubtlessly, oil and gas have been and are being wasted. Certainly we should conserve all of our natural resources, but no department of our Government has any right to spend the people's money in trying to sell the people anything. To present by radio at Government expense an argument in behalf of pending legislation is bad; to use misinformation in such an argument and for such a purpose is intolerable."

Representative Johnson (D.), of Oklahoma, who was in charge of the bill, insisted that the "amendment does not amount to anything" and that consequently he would not object to it.

That the broadcast in question had no effect on the House Committee considering the Cole bill was testified to by Representative Cole (D.), of Maryland.

"The truth is that during the long and tedious hearings the committee of this House, of which I have the honor of being chairman, was conducting in the investigation of the petroleum industry, it developed through one of the witnesses that such broadcasts were being conducted under the auspices of the Interior Department", he said. "The committee condemned the broadcasts

said to specifically refer to legislation before us, at that time, and does now. Because of that testimony I requested the Department of the Interior to send me some facts relative to the work which they were doing under their radio set-up costing only $15,000 a year. I was truly amazed to find the wonderful service they are rendering. I found also that some young man associated with the problem, overly zealous as to his interest in the petroleum-conservation proposition and the prevention of waste thereof, had gone beyond what the Secretary of the Interior himself desired. With the permission of the Chairman, I shall insert as a part of my remarks, a list of the leading stations throughout this country - 105 in all - which are now carrying the programs of the Interior Department from New York, with professional actors paid by the broadcasting companies; also the caption of the many programs they have sponsored dealing with all the interesting and important work before this great Department. The more I read these reports the more I wonder if the reason Secretary Ickes is criticized as much as he is is because he is doing something all the time. Whether you like him or not, you must admit the efficiency of the important personnel under him. He is a man who does things, and with few exceptions, does them well. I am sure it will be interesting to the Members of the House to know what their programs contemplate in the future, and finally, the public reaction to the Program What Price America, sponsored by the Department of the Interior.

"Mr. Chairman, the broadcast referred to, and according to the remarks of my good friend, the distinguished Member of this House from Texas, referring to the legislation he has mentioned, has no influence upon the committee dealing with this problem whatsoever. We have about concluded the general survey of this matter, which is of such vital concern to a great majority of the Members of this House, and our report will be made within the time required therefor. As the gentleman from Oklahoma (Mr. Johnson) has said, the law already covers such a situation as has been described here, but nevertheless this amendment might seem to curtail in the future overstepping the bounds and privileges extended this Department. I do not think it necessary, but it might do good as a reminder."

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SENATOR BAILEY SPONSORS COMPANION OF DITTER BILL

A companion to the bill introduced in the House by Representative Ditter (R.), of Pennsylvania, to amend the Communications Act was introduced in the Senate this week by Senator Bailey (D.), of North Carolina.

The measure, which seeks to curb the executive powers of the President over radio broadcasting and to extend the licensing period of stations to a minimum of three years, was drawn up by the National Committee to Uphold Constitutional Government.

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FCC DISCLAIMS CONTROL OF 10,000 RADIO ASSIGNMENTS

The Federal Communications Commission, in self defense, this week pointed out in a press release that it has no jurisdiction over governmental radio activities. The statement was made on account of the receipt of numerous inquiries regarding such operations.

"Comparatively few people realize that radio stations belonging to and operated by the Federal Government receive their frequency assignments by Executive Order of the President upon the advice of the Interdepartment Radio Advisory Committee", the FCC said. "Thirteen Government departments and agencies are represented upon the Interdepartment Radio Advisory Committee, including the Federal Communications Commission."

There are roughly 10,000 radio assignments to Government stations. More than half of these were made during the past fiscal year. Most frequency assignments are made individually; others in the very high frequency portion of the radio spectrum are reserved in blocks to be allocated for various activities of the Government at some future date.

Government radio stations are exempted from licensing and certain other regulatory provisions of the Communications Act. However, all Government radio stations, except those on board Government vessels at sea or beyond the limits of the continental United States, when transmitting any radio communication or signal other than a communication or signal relating to Government business, are required to conform to rules and regulations designed to prevent interference with other radio stations and the rights of others as the Commission may prescribe.

The Commission assigns call letters to Government stations just as it does to privately owned stations. The only exceptions are mobile stations of the Army. Special call signals are assigned to certain Government stations. For example, of the three call letters N, K, and W, assigned to the United States by international agreement, N is reserved for the exclusive use of the Navy and Coast Guard.

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Plans for an elaborate weather erport service for WLW listeners was announced by station officials this week, with the appointment of James C. "Jim" Fidler, "Radio's Original Weatherman", as a member of the WLW staff. Mr. Fidler, who has had eight years' experience as an amateur and professional meteorologist, will marshal and present weather data from coast to coast and from as far north as Minneapolis and as far south as Atlanta for listeners. He will cooperate with the United States Weather Bureau in presenting the information, drawing also from the reports of the Airways Radio System of the Civil Aeronautics Authority.

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G.E. SIGNS STIPULATION WITH TRADE COMMISSION

The General Electric Company, Schenectady, N. Y., has entered into a stipulation with the Federal Trade Commission to discontinue certain misrepresentations in the sale of radios.

The stipulation relates that one of the respondent corporation's dealers, Vim Electric Co., Inc., of Brooklyn, published advertisements of General Electric radios showing that a certain 8-tube set would be sold for $39.95 or at a saving of $30 from what was the regular or "manufacturer's list" price of $69.95; that certain radios were "made to sell for 50 per cent more", and that the buyer of a certain set with automatic tuning would save $25 by paying $44.95 when the regular price was $69.95.

"In its stipulation", the FTC said, "the General Electric Company admits that its practice is to suggest, approve and share the cost of some but not all of the advertising published by its dealers to promote the sale of its radios; that it suggested the list price set out in the Vim Electric Company's advertisement of a $69.95 radio for $39.95, and that it paid a share of the cost of publication of the other two advertising items, and that the radios referred to as having a list price of $69.95 were never regularly sold for that price but at the customary retail prices of $39.95 and $44.95 respectively.

"The respondent corporation agrees to cease and desist from representing that prices for radios made by or for it and specified in catalogs or advertising literature, are the prices at which such radios are currently sold or intended by it to be sold, unless such stated prices are the true and correct prices employed in the regular course of current business, or that stated prices are the regular prices at which such radios were formerly sold, unless such is a fact.

"The General Electric Company further agrees that it will not supply to its distributors, wholesalers, retail dealers, or others, any information, data, advertising copy or suggestions, calculated to induce such dealers to incorrectly state the former price or list or regular price of any of the radios sold by it, and that it will not approve or pay any portion of the cost of advertising prepared or published by or for its distributors or dealers, which, to its knowledge, incorrectly states or misrepresents the former, list or regular price of such radios."

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A WOR-Mutual special features crew aboard a giant Eastern Air Lines transport plane, spotted Britain's "Queen Elizabeth" early Thursday as she zig-zagged her way down the American coast and brought coast-to-coast listeners the first description of the liner's safe arrival from war-infested waters.

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ORIGIN OF "FIRESIDE CHAT" TRACED TO BUTCHER OF WJSV

How President Roosevelt's radio messages to the nation came to be called "fireside chats" was disclosed this week during a review of highspots of the history of Station WJSV, CBS station in Washington, which increased its power to 50,000 watts.

Harry Butcher, Vice President of CBS in charge of WJSV, suggested the label during a broadcast preceding President Roosevelt's address following the declaration of the bank holiday in March, 1933. The following dialogue between Ted Church, Special Events Director, and Mr. Butcher at the time, as reproduced by WJSV, follows:

TED: I don't like this one, Harry. I made it a little too stiff. It's the usual formal thing. I think we ought to get something more human.

BUTCHER: You're right, Ted. The President says he isn't just making a speech. He wants to sit down and talk to people just as he would if they were here.

TED: Just a sort of a friendly chat.

BUTCHER: Sure. Let's see... he's broadcasting from the Diplomatic Reception room -- that sounds stuffy -- m-m-, there's a fireplace in it, isn't there?

TED: Sort of a fireplace.

BUTCHER: Fireplace.. friendly chat...people listening to their President as if he were right at their own firesides... I know, I think I've got something: Let's call it a fireside chat.

TED: Fireside chat...fireside chat. That sounds exactly right to me, Harry.

The introduction was drafted and together with the more formal introduction was taken to the White House for the broadcast. Later, Mr. Butcher was talking to Mr. Marvin McIntyre, one of the secretaries to the President.

McINTYRE: Harry, the President has read them both and he says this one about the fireside shat is a honey.

BUTCHER: Swell, that's the one we like, too.

McINTYRE: Let's go ahead and call it that. Maybe we'll have a series of them...fireside chats to the nation...I think maybe you put a new phrase in the American language.

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RADIO EXPORTS SLUMP IN JANUARY

The Electrical Division of the Department of Commerce this week reported a large drop in American exports of radio apparatus, with shipments of receiving sets declining from $1,122,702 in December, 1939, to $744,173 in January, 1940. Transmitting sets, tubes and parts fell from $324,308 to $274,250; and receiving set components, from $593,689 to $408,810.

Total exports of electrical equipment were valued at $10,515,382 in January, 1940, or 44.5 percent more than in the corresponding month of 1939, when the total was $7,275,711.

The January figure was 11.9 percent lower than the record level reached in December, 1939, when foreign shipments were valued at $11,930,924.

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29 WITNESSES SCHEDULED FOR "F.M." HEARING

Twenty-nine parties have requested time at the informal engineering hearing on frequency modulation to be held before the Federal Communications Commission beginning at 10 A.M. next Monday (March 18). They are:

Edwin H. Armstrong, Alpine, N.J.; Columbia Broadcasting System, Inc., New York City; Commercial Radio Equipment Co., Kansas City, Mo.; FM Broadcasters, Inc., New York City; International Business Machines Corp., New York City; William G.H. Finch, New York City; John V. L. Hogan, New York City; Jansky & Bailey, Washington, D. C.; McNary & Chambers, Bethesda, Md.; Muzak Corporation, New York City; National Life & Accident Insurance Co., Inc., Nashville, Tenn.; Garman R. Runyon, Jr., Yonkers, N.Y.; Radio Pictures, Inc., New York City; Radio Corporation of America, New York City; Stromberg-Carlson Telephone Mfg. Co., Rochester, N.Y., WDRC Inc., Meriden, Conn.

Also, Westinghouse Electric & Manufacturing Co., East Springfield, Mass.; Zenith Radio Corp., Chicago; Association of State Foresters; (States of Pennsylvania, New Jersey and New York), and Northeastern States Forest Protection Radio Association; Brown Bay Phones, San Francisco; Department of Forests and Waters, State of Pennsylvania; Office of Education, Federal Security Agency; Mackay Radio & Telegraph Co., New York; National Association of Educational Broadcasters; National Congress of Parents and Teachers, Chicago; National Committee on Education by Radio New York City; National Council of Chief State School Officers, Atlanta; National Education Association, Washington; Ohio State University, Columbus, Ohio.

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CEREMONY MARKS WJSV POWER BOOST

Station WJSV, with a power increase to 50,000 watts, became the strongest broadcasting station in the Washington area last night (Thursday).

Municipal, civic and Federal leaders took part in the dedicatory ceremonies. A. D. Willard, Jr., General Manager of WJSV, presented to Commissioner Hazen the switch which actually turned on the new power.

"This", said Mr Willard, reading from an inscription on the switch's marble base, "is a symbol of WJSV's perpetual readiness to serve the community."

WJSV, with its $300,000 transmitter at Wheaton, Md., took its place among 39 other stations in the country which broadcast on 50,000 watts, the maximum permitted by the FCC.

On hand to liven up the proceedings was Bob Trout, Columbia's ace New York announcer and former "presidential" announcer at WJSV; John Charles Daly, local "special events" man; Professor Quiz, Jane Froman, Arthur Godfrey, Arch McDonald, Garry Stevens, and Paul Kain's Orchestra.

The Thursday night ceremony marked the climax of "WJSV Week" designated by proclamation of the District Commissioners. Earlier President Roosevelt had taken cognizance of the event by addressing the following letter to William S. Paley, President of CBS:

"My dear Mr. Paley:

"The completion of the new 50,000 watt transmitter for WJSV, the key station of the Columbia System in the Nation's Capital, symbolizes not merely the commendable development of your station, but of the entire broadcasting industry. And it symbolizes not merely the remarkable technical advances of the art, but also the ever-increasing contribution of radio to a better understanding of public affairs.

"In the years since Station WJSV became the principal station for the Columbia Broadcasting System in Washington, the country and the world have witnessed many stirring events -- events which have been brought to the firesides of millions of Americans by radio.

"Station WJSV and the Columbia network have played a stirring part in depicting these events and the construction of your new 50,000 watt transmitter marks another important step in the continued development of the industry. I congratulate you and the industry."

The five-fold increase in the WJSV power will permit the $300,000 plant to add an estimated 200,000 listeners in a wider area adjoining Washington and its suburbs. Persons in Baltimore and the Eastern Shore of Maryland and those in rural sections of New England will probably be able to tune in with ordinary receiving sets. A directional antenna throws the waves away from the northwest toward more populous areas.

Said by Chief Engineer Clyde M. Hunt to be the most modern equipment in the world, the transmitter is housed in a concrete structure of "functional design" that resembles something out of Buck Rogers and the Perisphere of the New York Fair. The building, decorated in blue and gray, has quarters for an emergency crew, including sleeping facilities and kitchen. The equipment is sunk in a pit and spectators can walk around it on inspection trips, on a balcony. Called "a house of a million wires" by its crew, the building has been fabricated in one solid unit so "that it can be turned over on its side and still hold together", James Middlebrooks, CBS engineer, said.

Most of the 13½-acre plat is underlaid with copper wiring and screening to radiate the sound waves. Three thin towers stretch 350 feet up, and are designed so that if one is blown down by a wind, which must have a velocity in excess of 100 miles an hour, it will not foul the others.

To assure continued operation without breakdowns, the plant is equipped with a gasoline engine that goes into operation automatically 10 seconds after power has been cut off.

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TELEVISION TEST ON PLANE SHOWS MILITARY VALUE

Army and Navy officials watched with interest this week a demonstration of telecasting from an airplane above New York City by the Radio Corporation of America, the National Broadcasting Company, and the United Air Lines.

Radio engineers and military observers foresaw the day when television-equipped airplanes might be used in reconnaissance flights, bombing operations, and map making. One engineer said that it opened up new possibilities for a robot, electrically-controlled bomber that could be dispatched on its mission of death without a man aboard.

New lightweight electronic cameras peered at the towers of Manhattan, shipping in New York's harbor and Wall Street's financial district during a forty-five minute demonstration program, relayed over the NBC Television Station. It was estimated that about 10,000 persons witnessed the historic telecast, which marked the public debut of newly developed "vestpocket" television apparatus.

An observer at Station W2XB, near Schenectady, reported "perfect reception", although the distance from NBC's transmitter is nearly 130 miles away.

Although weather conditions were far from ideal, and there was considerable interference from the plane itself in the received image, the program clearly showed familiar landmarks to armchair aviators -- automobiles speeding on the West Side Express Highway, ships lying at their berths in the North River, steam and smoke pouring from the funnels of tubgoats, the RCA Building in Radio City and the Empire State Building.

Commenting on the newest of television's achievements, Lenox R. Lohr, President of NBC, declared, "Television's unique characteristic of being able to bring into the living room events happening miles away, so that the public may witness them at the time they occur, has never been more clearly shown than in the demonstration.

"The new mobile equipment is entirely self-contained and complete; and can be mounted without difficulty in small spaces. It marks a tremendous technical stride; its social implications are tremendous. To us at RCA and NBC, it means that today we can give the television public a service not possible before, when we were obliged to schedule special events considerably in advance, and to use two 10-ton trucks to pick them up."

The success of the demonstration was "little short of astounding", according to O. B. Hanson, NBC Chief Engineer.

"Few preliminary tests preceded today's telecast, and we encountered many perplexing technical problems, but despite the haze in the air, the image was of amazing clarity most of the time", Mr. Hanson pointed out. "It must be remembered that the equipment we were using was not designed for airplane installation. It therefore suffered considerably from vibrations of the plane and its propellers. When apparatus for use in planes is placed at our disposal - and it is possible to design such equipment - an entirely new field for special events pick-ups will be opened to us. Besides extending the range of television, we will also be able to speed our arrival on the scene of any special event within the transmitting limits of portable equipment. I regard today's pioneer test as a highly significant step toward the future in television."

Terming the demonstration a "real miracle", Albert Zink, observer at the General Electric Company's television station near Schenectady, reported that definition was "fine" and reception "perfect". Although he has made only one visit to New York, Mr. Zink said that he had no difficulty in identifying New York City landmarks. As the cameras picked up the Trylon and Perisphere at the New York World's Fair Grounds, the Battery, Central Park and Triborough Bridge, the long distance onlooker correctly named each of them. "All the New York that I've read about", he exclaimed, "is pictured right here before me."

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YOUTH RISKS LIFE TO GET TELEVISION TUBES

While the blase older generation may wait patiently for the development of television, a 17-year-old New Yorker willing risked his life to obtain television tubes.

Ellery Price, accused of stealing a carton of television tubes from the sixth-floor television studios of the Columbia Broadcasting System in the Grand Central Terminal Building, was held in $500 bail by Magistrate Robert Mahoney, pending a hearing.

As the police told the story, young Price hid in the sixth-floor washroom of the building Saturday night last and waited several hours until every one had left the studio.

Then he stepped through a window onto a perlious, narrow ledge, seventy-five feet above street level, and inched himself along until he reached a window of the studio. The police said he forced open a window, crept through the dark to a storeroom and selected the carton of tubes.

Risking his life a second time, he retraced his steps along the dangerous ledge. He re-entered the washroom through the open window, opened the door and started out of the building. He was arrested, however, as he was leaving the Terminal Building with the carton under his arm.

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MBS AND CBS BILLINGS IN FEBRUARY INCREASE OVER 1939

Billings of the Columbia Broadcasting System in February were $3,330,627, an increase of 31.0 percent from 1939 but a decrease of 7.2 percent from the month before. For two months of 1940 the total was $6,919,616, an increase of 32.7 percent from 1939.

Billings of the Mutual Broadcasting System in the latest month were $337,647, a rise of 6.3 percent from the month before and an increase of 22.1 percent from February, 1939. For two months of 1940 the total was $655,378, an increase of 10.8 per cent from 1939.

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The report on Canadian radio set sales attributed to the Canadian Pacific Railroad in the February 23rd Business Letter should have read Canadian Radio Patents, Ltd.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
RECEIVED
MAR 13 1940

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No. 1216

March 12, 1940

FCC TO MOVE CAUTIOUSLY IN "F.M." INQUIRY

Despite admitted improvements in radio transmission offered by frequency modulation broadcasting, the Federal Communications Commission has indicated it will keep a restraining hand on the development of "F.M." because of the effect a revolutionary change would have on investments of both the listening public and the radio industry.

Some of the present curbs on "F.M." broadcasting are expected to be removed, however, and more waves doubtless will be made available in view of the large demand for channels. Following the hearing, which starts next Monday, members of the FCC will make an inspection trip to see "F.M." stations in operation.

A new obstacle to the broadening of the "F.M." band appeared this week when educational interests disclosed that they will resist any encroachment on the channels allocated to them by the FCC.

The hearing was called by the Commission primarily because of the considerable number of applications being filed for aural broadcast stations to operate on frequencies above 25,000 kilocycles employing frequency modulation and rendering program service to the public, the FCC said this week.

"The Commission concluded that it was in the public interest to ascertain if such stations had reached 'a stage of development that is acceptable for rendering regular as distinguished from experimental broadcast service to the public", FCC release stated. "This, including as it does the problem of the relative merits of frequency and amplitude modulation, is the first and principal topic of the agenda for the hearing, the other subjects being ancillary. Thus, among the matters noted, further consideration will be given to the questions whether frequencies allocated to aural broadcasting above 25,000 kc. are adequate for rendering a satisfactory and widespread service, and what additional frequencies, if any, are available or necessary to meet the capacities and needs of such aural broadcasting.

"It was not the purpose of the Commission to inquire into broad allocation problems affecting services other than aural broadcasting. This limitation, however, is not intended to preclude testimony pertaining to the suitability of forms of modulation for other services, or to preclude general testimony respecting the effect upon the present allocations to other particular services by the adoption of different channel widths than are now recognized.

"The Commission is particularly interested in obtaining as much factual data as possible based upon tests and operations that may be pertinent or material to the questions propounded by the topics on the agenda."

The National Association of Broadcasters is watching the new development with keen interest. In a report to its membership on "F.M." recently, the NAB said:

"No one can tell at present what will be the future of F.M. as far as the broadcasting industry is concerned. Its development involves the general use of special receivers. None of the regular receivers now in use are suitable for receiving F.M. and there are some forty-four million receivers in the United States. On the other hand, there are indications of considerable developments both from the transmitting angle as well as the receiver manufacturing angle. It is not impossible that we may find in the not too distant future that broadcasting has developed into two bands - one the regular broadcast band and the other the F.M. band. No doubt, for some time it will be necessary to have a certain number of stations in the regular broadcast band to provide service to much of the rural and sparsely settled sections of the country, particularly in the plains states. Of course, the use of two bands for receiving broadcasting would increase the cost of receivers. It is not impossible either that F.M. may be generally adopted in years to come, and if such is the economic and technical trend of this new development, there will be required a transition period during which the auxiliary F.M. station gradually changes to the main station and the A.M. station fades into an auxiliary to be ultimately abandoned. However, the information available at this time is insufficient for any reliable prophesies to be made.

"Some of the advantages of Frequency Modulation transmission and reception are so marked that it should command the greatest attention from the broadcast industry, in order that the full "system" possibilities might be determined. Many of the questions concerning Frequency Modulation undoubtedly will be answered during the Federal Communications Commission's hearing on March 18th."

The principal testimony will be given by spokesmen for the recently organized Frequency Modulation Broadcasters, Inc., headed by John Shepard,III, President of the Yankee Network, and by Maj. Edwin H. Armstrong, developer of "F.M.", who will be the star witness.

This organization, which claims an investment of $1,500,000 in equipment and engineering research by its members, will ask the FCC for the following concessions, among others:

That the granting of regular licenses, rather than those giving experimental status only, be permitted.

That the power limitation on F.M. transmitters be raised from one kilowatt to 50 kilowatt.

That a minimum separation of 200 kilocycles between adjacent F.M. channels is, in this group's opinion, essential to accommodate facsimile by multiplex (simultaneous)transmission, and because of the fact that narrow band transmission may be carried on within such channels

That more than five adjacent channels for F.M. are essential.

That the 41 to 43 megacycle band should be allowed to stations using F.M., and that the 26 megacycle band, now assigned to F.M., should be allocated to other services.

That, 15 channels will not prove sufficient for the needs of F.M. and immediate provision should be made which will insure the availability of additional channels in the near future. From the point of view of receiver design, the additional channels should be as nearly adjacent as possible - insofar as this can be accomplished without undue injury to other services.

That there should be separation distances for stations on the same channel and on adjacent channels for varying power.

That the Commission should set an established policy of permitting rebroadcasts between stations, subject only to permission of originating stations as is the rule in the regular broadcast band.

That the Commission set an established policy of permitting relay stations using F.M., thereby making possible high fidelity network operation.

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COMMISSIONER CASE REPORTED IMPROVING

Commissioner Norman S. Case, of the Federal Communications Commission, is reported to be steadily improving in his fight against pneumonia with which he was stricken more than a week ago. He is said to have passed the crisis last Friday. Commissioner Case is at his home, 4706 - 17th Street, N.W., in Washington.

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FCC EXPLAINS RULES REGARDING POLITICAL BROADCASTS

Because of repeated requests for information as to the use of broadcasting facilities for the discussion of political issues and by candidates for public office, the Federal Communications Commission this week issued a statement outlining the provisions of law and regulations covering the subject.

It was explained that the FCC statement was made merely for its informational value and not to put the Commission "on the defensive".

"Broadcast stations are licensed to serve the 'public interest, convenience and necessity'", the FCC explained. "This carries with it obligation on the part of stations to provide opportunity for well-rounded rather than one-sided discussion of public controversial issues and to render a program service in the general public interest. However, there is no requirement, express or implied, that the broadcast facilities must be afforded for the use of any particular individual or organization.

"Section 3(h) of the Communications Act of 1934, as amended, expressly provides that a person engaged in radio broadcasting shall not be deemed a common carrier. In this respect broadcasting is unlike telephone, telegraph, or cable service. Accordingly, a broadcast station may refuse the use of its facilities to any particular person or group, even though offer is made to pay for the time.

"However, Section 315 of the Act stipulates:

"'If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station, and the Commission shall make rules and regulations to carry this provision into effect: Provided, That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate.'

"This provision does not apply to persons other than the legally qualified candidates themselves but does require that, if a broadcast station permits the use of its facilities by a candidate, equal opportunities in the use of the station shall be afforded all other legally qualified candidates for the same office.

"The Commission's Rules Governing Standard Broadcast Stations more specifically define broadcasts by candidates for public office in the following language:

"'Section 3.101 General requirements. - No station licensee is required to permit the use of its facilities by any legally qualified candidate for public office, but if any licensee shall permit any such candidate to use its facilities, it shall afford equal opportunities to all other such candidates for that office to use such facilities, provided that such licensee shall have no power of censorship over the material broadcast by any such candidate.

"'Section 3.102 Definitions. - The following definitions shall apply for the purpose of Section 3.101:

"'(a) "A legally qualified candidate" means any person who has met all the requirements prescribed by local, state, or federal authority, as a candidate for the office which he seeks, whether it be municipal, country, state, or national, to be determined according to the applicable local laws.

"'(b) "Other candidates for that office" means all other legally qualified candidates for the same public office.

"'Section 3.103 Rates and practices. - The rates, if any, charged all such candidates for the same office shall be uniform and shall not be rebated by any means, directly or indirectly; no licensee shall make any discrimination in charges, practices, regulations, facilities, or services for or in connection with the service rendered pursuant to these rules, or make or give any preference to any candidate for public office or subject any such candidate to any prejudice or disadvantage; nor shall any licensee make any contract or other agreement which shall have the effect of permitting any legally qualified candidate for any public office to broadcast to the exclusion of other legally qualified candidates for the same public office.

"Section 3.104 Records; inspection. - Every licensee shall keep and permit public inspection of a complete record of all requests for broadcast time made by or on behalf of candidates for public office, together with an appropriate notation showing the disposition made by the licensee of such requests, and the charges made, if any, if request is granted.'

"The Commission's Rules and Regulations do not impose any requirements as to the rendering of free service by broadcast stations. This is a matter to be determined by the individual stations themselves.

"With respect to program content, Section 326 of the Communications Act provides:

"'Nothing in this Act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication.'

"The express prohibitions contained in the Communications Act with respect to program content are: the prohibition against the broadcasting of lottery information contained in Section 316, and the provision of Section 326 that no person 'shall utter any obscene, indecent, or profane language' on the air."

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EDUCATORS TO FIGHT FOR SCHOOL CHANNELS

Headed by Commissioner John W. Studebaker of the United States Office of Education, nearly three-score representatives of educational organizations throughout the country have indicated they will give testimony at the frequency modulation hearings to be started by the Federal Communications Commission next Monday, March 18th. They have asked for time through Dr. Willard E. Givens, Executive Secretary of the National Education Association.

The approaching hearing has taken on an international aspect through the applications of Canada and Russia for permission to have engineers attend the hearing. The Canadian application came from the Department of Transport of the Dominion, and that of the Russians was from S. Savin, Vice President of Glavesprom of U.S.S.R., who asked permission to have three engineers attend the hearing. Canada indicated it would send one observer.

Those interested in educational broadcasting are not opposed to frequency modulation. On the other hand, it was indicated by Dr. Belmont Farley of the National Education Association they are interested in frequency modulation for educational broadcast purposes because of the lower price of the equipment and the reduced cost of operation when compared to the present amplitude system. Their testimony before the Commission will oppose any proposal to take their present band from 41,000 to 42,000 kilocycles away for the purpose of giving it to commercial frequency modulation.

While it was said at the FCC that only three educational stations have been licensed since the band allocations were made in 1938, it was pointed out at the Educational Association headquarters that some cities are planning to establish stations. The lack of funds was indicated as the primary reason why more stations have not been licensed. The educational broadcast systems provide for the purchase of the transmitters and the receivers which would be in the classrooms.

Use of frequency modulation in educational systems, Dr. Farley said, would make it possible to increase the scope of special instruction. Under present conditions, a special teacher must visit each school to give instruction, but with radio it would be possible to give lessons simultaneously to all classes in a school system from one central point, thus saving the time of the specialist going from school to school.

It was emphasized that in periods of epidemics when schools are closed to avoid spread of diseases, loss of time can be avoided by giving the instruction over the air to the pupils in their homes.

The National Congress of Parents and Teachers has notified the Commission that it plans to have three witnesses at the hearings. They are Mrs. J. K. Pettengill of Chicago, President; Dr. William McKinley Robinson, of Kalamazoo, Mich., a member of the Executive Committee, and Mrs. M. T. Bannerman of this city, Chairman of Legislation. I. Keith Taylor, Director of Evaluation of School Broadcasts of Ohio State University, also has asked for time to give evidence in support of the present allocation for school broadcasts.

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PEPPER ASKS MONTH'S NOTICE BEFORE FCC ACTION

A bill seeking to amend Section 309 of the Communications Act by adding a requirement that no station license shall be granted, modified, or renewed until after four weeks' notice published by the Federal Communications Commission, was introduced last week by Senator Pepper (D.), of Florida.

The amendment follows:

"'c) No application for a station license or for the renewal or modification of a station license shall be approved prior to the expiration of four weeks after the first notice of such application is published. The Commission shall cause such notice to be published once a week for four consecutive weeks in a newspaper of general circulation in the county in which it is or is to be located. The expense incident to such publication shall be paid for by the applicant at the time such application is filed. Such notice shall contain a statement that objections in writing to any such application may be filed with the Commission prior to the expiration of the four weeks' publication period and that a public hearing will be held if a request is made therefor prior to the expiration of such period. If any person so requests a hearing on any such application, the Commission shall hold a public hearing in such town, city, or county or in the District of Columbia, as the Commission may determine. Notice of such hearing, including the time and place thereof, shall be given to the applicant and to any such person requesting a hearing, and an opportunity to be heard at such hearing shall be afforded to all interested persons. Such hearing may be held by the Commission, by an individual Commissioner, or by any officer or employee of the Commission designated by it for that purpose."

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FCC GETS QUEER QUESTIONS IN A DAY'S MAIL

"Do you have to have a license to transmit by radio if you can't be heard in any other State?"

Such is one inquiry in a day's mail received by the Federal Communications Commission. The answer to this particular question is simple: The courts have held that a radio signal is interstate in character and that the Communications Act applies to all stations which produce radio emissions intended for reception. It is an established engineering fact that in any use of radio the signals will at times have effects which extend beyond the borders of a State, or interfere with transmission to or reception from other States. Accordingly, any person building or operating a radio transmitter is required to obtain a license from the Commission.

Another mail "I.Q." involves permission to construct a private telegraph line from a boy's house to a friend's house. The Commission has no jurisdiction over such private circuits. Any legal requirements rest with the State or municipal authorities.

Still another writer complains about a local telephone service. The jurisdiction of the Commission is limited to the regulation of interstate and foreign communication by wire or radio. Authority over local exchange and intrastate toll service was, by the Communications Act, specifically exempted from the Commission's jurisdiction and reserved to the respective State regulatory bodies.

Another complaint relates to interference with radio reception by emissions of a local power company. Though the Commission has no authority in this matter, it is glad to refer the complaint to the company involved. Complainants are usually in position to furnish information of value in locating interference conditions.

Under the Communications Act, individual licenses for all types of radio services - broadcast, amateur, commercial, etc. - are restricted to citizens. Broadcast station licenses are denied corporations "of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives".

Acts of Congress have repeatedly indicated a national policy against possible control of radio facilities by aliens. Accordingly, the Commission's regulations forbid location of an amateur station on premises controlled by an alien. This invites presentation of many problems, usually decided by the statement that, in view of its obvious purpose, the rule applies to an entire residence and is not avoided by nominal rental of a room from an alien parent to another member of the family who is a minor.

Another question that never stays answered is: "How much does it cost to build a commercial radio broadcast station?" The frank reply must dissuade some would-be operators. One hundred watts is the minimum power considered capable of rendering appreciable service. The approximate cost to construct such a station is between $5,000 and $8,500.

Complaints about individual radio programs run the gamut from taking issue with an announcer's English and differing with a speaker's conclusions to objecting to advertising and protesting refusal of time on the air. In such cases the Commission has to advise that it has no power of censorship over programs, and that since the Act expressly provides that a radio broadcast station is not a common carrier the Commission cannot compel any station to accept a particular program or to allow someone's favorite performer or speaker to use its facilities. In many cases it refers complainants to the particular station or network involved. Occasionally a complaint alleging unfair competitive practices is received and referred to the Federal Trade Commission.

However, certain things are definitely barred from the air by the Communications Act. Hence, cases which involve violation of the specific injunction against lotteries and obscene language are referred to prosecuting authorities for appropriate action. Also, the Commission can and does review the general public service rendered by stations in determining if renewal of license is in the public interest. The statute requires the Commission in acting upon renewals to consider the same factors as it must consider before granting a new application. In either case the service proposed to be rendered to the public is the dominant consideration.

Numerous letters erroneously attribute a broadcast "code" to Commission regulation. This is really a code of ethics adopted by the National Association of Broadcasters, and the Commission has no jurisdiction in the administration of its provision. Adoption of the code is not a substitute for compliance by a licensee with duties under its license and the Act. The code represents the efforts of the broadcasters themselves to impose self-regulation in addition to the absolute requirements of the law.

In reply to a currently recurring inquiry, the Commission has to report that it is without authority to require a broadcast station to make frost warning announcements. On the telegraph side of its incoming mail desk, the Commission is in receipt of complaints that these carriers should now recognize "airmail" as one word, and charge accordingly.

Some persons have a mistaken notion that the Commission can recommend schools and publications, or find jobs for them in the broadcast industry. As for applications for positions with the Commission itself, with few exceptions the entire personnel is under Civil Service and its occasional vacancies are filled from those ranks.

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TRADE NOTES

The Department of Commerce has issued world radio market reports covering the following countries within the last week: Spanish Morocco, Colombia, Iran, Switzerland (regulations), Angola, Spain, and Cuba (regulations).

Walter Logan, Musical Director of Station WTAM of the National Broadcasting Company, and nationally known composer and violinist, died this week in Cleveland at the age of 63 after an illness of six months. Mr. Logan had been associated with WTAM since 1923 and had conducted many NBC network programs. He formed the nucleus of the Cleveland Orchestra and was active in the development of many other musical groups.

The Cincinnati Enquirer entered the newscasting field March 1 with an announcement that it had made available its 24-hour Associated Press leased wire service reports to radio stations WLW and WSAI, Crosley stations.

Under a resolution passed by the Executive Committee of the A.P. Board of Directors last May permitting member papers to sell news for broadcast purposes, with or without commercial sponsorship, the Enquirer automatically began paying a basic 25% additional assessment to the A.P.

The National Carbon Company has scheduled an advertising campaign in newspapers in nine major markets for its new Eveready Mini-Max "B" battery for portable radios. The product makes use of other batteries of equal capacity. Some thirty makers of portable radios have designed sets using the battery. J. M. Mathes, Inc., is the agency.

Eighty thousand contributions toward the $1,000,000 Metropolitan Opera Fund have been made by radio listeners who appreciate the regular Saturday afternoon broadcasts of the opera, it was announced Sunday. The contributions have been received by the Radio Committee, of which David Sarnoff is Chairman, and Mrs. August Belmont and Miss Lucrezia Bori, Vice Chairmen. Gifts from radio listeners have come from every State, the District of Columbia, Canada, Switzerland, France, the West Indies and Chile. The radio audience in New York State has made the largest number of donations, 14,882. Pennsylvania, with 7,681 contributions, is second, and California, with 6,831, is third. The contributions from Massachusetts total 6,082, from New Jersey, 4,145, and from Connecticut, 2,292.

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A.P. MOVES TO LIBERALIZE RADIO ACTIVITIES

Confronted with the need for increased revenue to meet the increased costs of news collection, the Associated Press is currently polling its membership by mail to determine "the advisability of liberalizing radio activities to make possible a larger income and at the same time enable the Association to meet, insofar as is appropriate, the radio policies of competitors", according to Editor & Publisher.

A single question has been submitted to the membership, accompanied by a letter dated Feb. 29 and signed by Robert McLean, Philadelphia Bulletin, President of the A.P. The letter points out that the Board is seeking an expression from the members on this long-controversial issue to guide it in any action it suggests to meet the revenue situation. It is understood the Board and the membership will act on the matter at the annual meeting, to be held in New York April 22 at the Waldorf-Astoria.

A "Yes" or "No" answer is requested from each member on the following question:

"Do you favor the Associated Press liberalizing its radio activities to the extent that necessary revenue therefrom can be provided to meet the increased news collection costs which confront the Association?"

Mr. McLean's letter recalls the adoption of a resolution by the members at the 1939 meeting, urging the Board of Directors to consider again the use of A.P. news in the broadcasting of sponsored programs, and the subsequent action taken by the Executive Committee May 24, when a set of tentative rules and regulations governing the use of news in sponsored programs was adopted, and subsequently approved by the Board and modified in January of this year. "The steps that have been taken, however, have not been productive of much increased revenue", Mr. McLean told the members.

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PAPER USES SHORT-WAVES TO SERVE CLIENTS

The Chicago Daily News foreign news service has inaugurated short-wave radio transmission, via Press Wireless, Inc., to serve several West Coast newspaper clients with Daily News foreign dispatches, effective March 1, it was announced last week by Lynn E. Aldrich, Daily News Treasurer.

Short-wave broadcasting of dispatches to the West Coast eliminates wire costs and the daily file of foreign news is sent in code "F-O-B the air", Mr. Aldrich explained. Clients are responsible for reception and cost of receiving, under this plan.

Newspapers having radio station affiliations can arrange for reception of the short-wave broadcasts, or a paper can delegate a local amateur short-wave radio operator to translate the messages. Either method represents a saving in transmission costs across the continent. Press Wireless broadcasts from Long Island, N.Y., the dispatches over a special short-wave length from 8:30 to 10:30 A.M., E.S.T. Latest addition to the list of clients receiving Daily News foreign service is the London Telegraph.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

MAR 1 5 1940

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"F.M." HELD PROMISING FOR MILITARY COMMUNICATIONS

Frequency modulation, which will be the subject of a hearing before the Federal Communications Commission beginning next Monday, March 18th, has distinct possibilities for military communications, according to Capt. K. M. Soukaras, of the U. S. Signal Reserve Corps, Washington, D. C.

Writing in the current "Signal Corps Bulletin", Captain Soukaras discussed the new form of radio transmission in non-technical language.

"Transmission of intelligence by radio is normally effected by radiating into space a modulated carrier wave which, when received at the point of service, is suitable transformed back into the original intelligible signal", he said. "In the past amplitude modulation has been used almost exclusively. At the present time considerable interest has been aroused in the use of frequency modulation, which is thought to possess far-reaching possibilities in the communications field, both for commercial and military application.".....

"A radio carrier wave is a sinusoidal alternating electro-magnetic wave of high frequency. As such, it has, in common with all natural waves, amplitude, frequency, phase angle, and speed of propagation. For radio the last is a natural constant and cannot be changed. The other three properties of the wave, however, may be subjected by suitable means to a periodic change which is slow compared to the carrier frequency, thereby giving rise to amplitude, frequency, and phase modulation.

"In pure amplitude modulation, the period and phase of the high frequency carrier remain constant, while the amplitude of the carrier is made to vary in accordance with the instantaneous amplitude of the modulating signal wave.

"In frequency modulation, the carrier amplitude remains constant, while the frequency of the carrier is made to vary above and below its nominal unmodulated value in accordance with the instantaneous amplitude of the modulating signal wave.

"At the transmitter end either one of the above methods for modulating the carrier may be used. The propagation in space is carried out by well known natural laws and is beyond the control of man. At the receiver the reproduction of the original signal can normally be effected by only one means, that of the well known rectification process, regardless of the method originally employed for modulating the carrier. This means that phase and frequency modulation must be changed to amplitude modulation at the receiver in order to recover the original signal.

"There are many military situations and instances in which radio by necessity becomes the only satisfactory means for signal communication. For example, distances between points may be great, the terrain may be unfavorable for the employment of some other means of signal communication, or there may arise an urgent necessity for the immediate transmission of a message. In such cases radio is extremely useful and effective. Nevertheless, radio appears to suffer from two distinctly serious disadvantages: (a) it is not secret, and (b) transmissions may be interfered with by enemy jamming. Here is where it is believed that frequency modulation will find its greatest usefulness for military application. Frequency modulation is seriously thought to possess distinct possibilities in providing secrecy of messages and in greatly reducing all types of interference, whether man-made or nature-made.

"Frequency modulation is well adapted to radio communication utilizing the ultra-high frequencies, that is, that part of the radio spectrum above 30 megacycles, where transmissions are normally along the line of sight and do not go appreciably below the horizon. For radio telephony, secrecy of messages may be insured by employing single side band transmission in conjunction with the inversion of speech. On the other hand, unwanted noise and interference may be surpressed by employing wide frequency swings of the frequency modulated carrier, which in regard to adequate channel separation is a problem of rather small consequence when ultra-high frequencies are used. For military application, frequency modulation has additional advantages over those already mentioned. The cost, weight and bulkiness of the frequency modulation transmitter are considerably reduced in comparison to the ordinary amplitude modulation transmitter without adding in any way to the complexity of transmitter-receiver operation which is just as straight-forward as that of the well known amplitude modulation case. In addition, for the same effective carrier output, the input of a radio-telephone frequency modulation transmitter is one-half of the corresponding input of an amplitude modulation transmitter. This is of particular significance to airplane radio-telephone sets. . . . .

"In addition to the Armstrong system of modulation there are other, and perhaps simpler, methods to produce frequency modulation at the transmitter. For example, it is well known that the frequency of oscillation in a vacuum tube oscillator is mainly determined by the inductance and capacitance of its tank circuit. Frequency modulation is readily accomplished by periodically varying either the inductance or capacitance of this circuit, the rate of frequency variation and the magnitude of the variation from the mean nominal frequency being small in comparison with the natural frequency of the circuit. . . . . .

"A frequency modulation receiver is similar to a conventional superheterodyne receiver with the addition of the conversion circuit or slope filter and of a limiter, so-called because it limits or cuts off any unwanted amplitude modulation in such a way that only the frequency modulation components of the signal may be received. The frequency modulation receiver consists of

the conventional radio-frequency amplifier, first heterodyne detector, intermediate frequency stages, limiter, frequency-amplitude conversion circuit, and second detector followed by the audio output stages. The limiter is simply an overloaded or saturated amplifier tube such that its output remains constant regardless of the changes in its input. In this manner all unwanted amplitude modulation that may have found its way into the desired frequency modulation may be removed. . . . . .

"In frequency modulation, it is the wide frequency swing of the carrier at the transmitter and the limiter action in the receiver which provide the fundamental means of noise and interference suppression. . . . . .

"When two adjacent channel frequency modulated signals have their carrier frequencies separated by less than the total signal band width occupied by each signal, interference does exist. Therefore, to prevent mutual interference between two adjacent frequency modulated signals, the respective carriers must be separated by a frequency interval at least equal to the total signal band width occupied by each signal. Since in radiotelephony employing frequency modulation, in order to provide adequate noise suppression, a wide frequency shift of the carrier is required which is normally of the order of 80 to 100 kilocycles, a channel separation of 200 kilocycles wide has been assigned by the Federal Communications Commission for frequency modulation broadcasting. Another reason for using such wide frequency swings with ultra-high frequency carriers is to provide the equivalent of 100 per cent frequency modulation analogous to the 100 percent modulation of the corresponding amplitude modulation case. A frequency modulated wave is said to be completely modulated when the resulting side frequencies are sufficiently large with respect to the carrier as to produce at the receiver 100 percent modulation im amplitude, after frequency modulation has been suitably transformed into amplitude modulation.

"Frequency modulation will probably find its greatest all-round usefulness when employed at the ultra-high frequency end of the radio spectrum, particularly the centimeter range. The simultaneous operation at the ultra-high frequencies of frequency modulation transmitters separated from each other by comparatively short distances without producing mutual interference is possible provided the respective carriers are separated by frequency intervals equal to the total side band width occupied by each signal. Separation of the carriers by less than this amount will produce particularly strong interference. On the other hand, due to the optical transmission properties of the ultra-high frequencies, it is possible to operate several transmitters simultaneously on the same carrier frequency provided the physical separation between transmitters is such as to sufficiently attenuate the unwanted signal, which is then rejected by the frequency modulation receiver as unwanted interference. Cross modulation does not obtain with frequency modulation. Finally the problem of frequency allocation when ultra-high frequencies are used is generally considerably simplified. . . . .The demand for frequency modulation will inevitably become more insistent with time, both for commercial and military application."

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"F.M." HEARING TO RECESS FOR WEEK-END

The Federal Communications Commission announces that its informal engineering hearing on aural broadcasting, to begin Monday, March 18th, will be adjourned Friday and Saturday in order to devote that full time to Commission meeting and other routine business.

The "F.M." hearing is expected to last ten days or two weeks and will decide for the present the fate of nearly 100 applications now pending before the Commission from broadcasting groups which seek licenses to establish "F.M." stations in their territories. Many of the nation's oldest and best-known broadcasters are represented in the roster of applications.

Among the matters sought by the F.M. exponents at their Washington hearing are an equal status with present broadcasting stations using conventional "amplitude modulation", the establishment of a new "F.M." band in the ultra-high frequency spectrum, a power maximum of 50,000 watts instead of 1000 watts, and the use of 200 kilocycle separation between stations for best results.

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G.O.P. OR NEW DEAL, RADIO WILL WIN IN 1940

Regardless of whether the Republicans return to power or the New Deal remains entrenched in Washington, the radio broadcasting industry stands to win some substantial earnings in 1940.

Estimates that "several million dollars worth of political time placements" will be made on the nation's radio stations between now and the November elections are carried in the current Broadcasting magazine.

A check at Republican and Democratic party headquarters, the trade periodical states, shows that at least as much money will be spent for radio time in the Summer and Fall as was expended in 1936. That was $850,000 by the Republicans and $600,000 by the Democrats. This does not include money expended on local contests.

Independent stations stand to gain by the inability of the networks to clear commercial hours for the political candidates, it was said. Many transcriptions are to be used in spot broadcasting throughout the country. Network billings in 1936 for national campaigns aggregated $1,275,000.

Robert I. Berger is expected to handle radio contacts for the Republicans and Wells (Ted) Church for the Democrats again, the magazine stated.

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CROSLEY GRANTED C.P. FOR "F.M." STATION

The Crosley Corporation this week was granted a construction permit by the Federal Communications Commission for a new experimental high frequency broadcast station to employ frequency modulation, to be located in Cincinnati, Ohio. The applicant proposes a broad investigation of the relative merits of frequency modulation and the present standard broadcast system, and of wide and narrow band frequency modulation in transmitting high fidelity programs, with attention to receivers suitable for dual operation.

The station proposes to operate on 43200 kilocycles, 1 kilowatt special emission for F.M., unlimited operation. The antenna is planned atop the Carew Tower, Cincinnati. The permit is granted upon an experimental basis only, subject to change or cancellation by the Commission at any time, without notice or hearing, if need for such action arises.

This application was filed by the Crosley Corporation pursuant to announcement by the Commission on December 19, 1939, that, pending outcome of the informal engineering hearing on aural broadcasting to begin March 18, it would grant the following classes of applications:

(a) Applications for permission to carry out programs of fundamental research not authorized in the past and which show satisfactory promise of being able to contribute substantially toward the development of aural broadcasting service, and

(b) Applications filed by existing licensees to experiment with aural broadcasting on frequencies above 25000 kilocycles, provided the request to operate additional stations involved a program of experimentation directly related to the existing station.

At the same time the Crosley application was granted, the Commission authorized Westinghouse Electric & Manufacturing Co. high frequency broadcast station W1XK to move its transmitter from Boston to Hull, Mass., for operating on 42600 kilocycles, 1000 watts, special emission for F.M., and approved request by General Electric Co. to move the transmitter of its high frequency broadcast station W2XOY from Albany, N.Y., to New Scotland, N.Y., to increase its power from 150 to 1000 watts and install new equipment for Operating on 43200 kilocycles, special emission for F.M.

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Grant of a construction permit to the Presque Isle Broadcasting Co. for a new station at Erie, Pa., was affirmed by the Federal Communications Commission this week. The action was taken after consideration of exceptions and briefs filed by Stations WLEU at Erie, and WWSW, at Pittsburgh. The Presque Isle Broadcasting Co. is authorized to operate unlimited time, using the frequency 1500 kc, with daytime power 250 watts,nighttime 100 w.

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MACKAY DENIED PERMIT FOR ROME SERVICE BY FCC

Existing cable and radiotelegraph facilities between the United States and Italy are adequate to handle present or prospective traffic, the Federal Communications Commission asserted this week in denying the application of Mackay Radio & Telegraph Company, Inc. (Dela.), for modification of the fixed public service licenses of point-to-point telegraph stations WJD, WDU, WMK and WID to add Rome, Italy, as a primary point of communications.

Upon consideration of all the facts of record the Commission concludes in its Findings of Fact and Conclusions that:

"The applicant does not propose to lower the existing rates or to offer new classes of service, but proposes to render a service similar to that now available to the public over existing routes. There has been no complaint from the public as to the service now available to it by means of existing systems. It does not appear that the proposed service of the applicant would be superior to the service of the existing carriers, or that the effect of the proposed operation would be to improve the existing service. Nor does it appear that the needs of the national defense would be better met by the addition of the proposed circuit. The record does not provide any sound basis upon which it may be determined that any substantial increase in the traffic between the United States and Italy will occur through the proposed operation or that the added facilities will create new traffic. The traffic and revenue secured by the applicant would for the most part come through diversion from and at the expense of the carriers now in the field. There is at the present time keen competition for the Italian traffic between American carriers. The traffic and revenue available do not justify intensifying the existing competitive situation or the resulting reallocation in view of the other facts of this case. Under the provisions of the agreement between the applicant and its foreign correspondent, traffic from the United States to Egypt, Palestine and Syria, handled via the proposed circuit, would be carried by the applicant at a substantial loss to itself, and traffic to all of the hinterland countries referred to in these findings would produce less revenue for the applicant's system than the same traffic would produce if handled via the facilities of the Commercial Cable Company. The proposed circuit has not been shown to be necessary to the continued existence and public service of the applicant or its affiliated companies as competing factors in international communications.

"In light of the foregoing facts and of the entire record in this proceeding, the Commission concludes that public interest, convenience, or necessity will not be served by the granting of these applications."

Commissioners Walker and Thompson dissented.

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TIME EXTENDED FOR MAKING POWER MEASUREMENTS

While the State Department waited for Mexico to file with the Cuban Government at Havana its ratification of the North American Radio Treaty, the Federal Communications Commission this week notified all standard broadcast stations that the time for making required power measurements has been extended.

The State Department has been advised that the Mexican Ambassador to Cuba is enroute to Havana to deposit the signed treaty and thus pave the way for a general reallocation of frequencies in this country.

The FCC in its notice to licensees said:

"Under date of January 25, 1940, Mexico ratified the North American Regional Broadcasting Agreement. In order to place the allocation plan set forth in this Agreement in effect, the frequency assignments of a majority of standard broadcast stations must be changed. Resistance measurements made in accordance with the Standards of Good Engineering Practice for the presently assigned frequencies will not be sufficiently accurate for the frequencies assigned under the Agreement.

"The time within which existing standard broadcast stations shall have made the necessary measurements and obtained authority to determine the operating power by direct measurement of the antenna power as required by Section 3.51(a) (2) is hereby extended from July 1, 1940, to December 1, 1940.

"This in no way affects the requirements as now set forth in Section 3.51 with respect to new standard broadcast stations, nor does it affect the requirements of the Standards of Good Engineering Practice in that the power shall be determined by the direct method when making field intensity measurements."

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KWBD SHOW CAUSE ORDER ISSUED BY FCC

On the ground that he apparently made false and misleading statements relative to his financial condition, the Federal Communications Commission has ordered W. B. Dennis to show cause on or before March 29, why the construction permit issued to him July 12 last for a radio broadcast station at Plainview, Texas, should not be cancelled.

The call letters KWBD were assigned to the station, which proposed to operate on 1200 kilocycles, 100 watts power, daytime only.

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WALKER INSPECTS DON LEE TELEVISION STATION

Paul A. Walker, member of the Federal Communications Commission, last week inspected the Don Lee television station W6XAO.

The Commissioner's visit followed closely upon the heels of another test given Thomas S. Lee's plant a few weeks ago by Bernard H. Linden, FCC Inspector in charge of the Southwest District.

Mr. Walker's arrival marks the first visit of an FCC member to the West in several years, and the fact that he is the only Commissioner who has inspected every television station in the country added much importance to his official inspection.

Since going on the air December 23, 1931, Mr. Lee has presented 6,000 hours of entertainment in more than 2,550 separate programs to Los Angeles' several hundred home television receivers

During his visit in Hollywood Commissioner Walker was conducted through the television studio of W6XAO by Harry R. Lubcke, Director of Television, and Inspector Linden. The party also observed transmissions on several receivers, one seven miles from the transmitter. Close observers declared that Mr. Walker was impressed by both the quality and quantity of program content and the production technique of the nightly shows.

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UNITED STATES-ECUADOR RADIO SERVICE IN PROSPECT

Establishment of direct radiotelegraph service between the United States and Ecuador is in prospect as a result of the Federal Communications Commission adopting Proposed Findings of Fact and Conclusions looking toward R.C.A. Communications, Inc., adding Quito, Ecuador, as a primary point of communication for its point-to-point stations WBU, WES, and WKO, at Rocky Point, N.Y., and as a secondary point of communication for its other fixed stations.

"There are material advantages to be gained by; and, as a matter of international communications policy, there are sound reasons for; the establishment of a direct radiotelegraph service between the United States and Ecuador", declares the Commission. It points out that the only public telegraph service of standard message classification now available between the two countries is offered over the cable system by AACR. Establishment of the proposed service, it adds, would not imperil or seriously affect the ability of AACR to continue its public telegraph service.

Besides offering an efficient public radiotelegraph service of standard international message classifications between the United States and Ecuador, R.C.A. Communications would provide facilities for the transmission of addresses program material for broadcast.

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TRADE NOTES

The Federal Communications Commission this week adopted an Order granting the application of Southern Bell Telephone and Telegraph Company, Atlanta, Ga., for a construction permit for a coastal harbor station near Charleston, S.C., to operate in the public service using the frequency of 2566 kilocycles with a maximum power of 400 watts, unlimited time, with A2 and A3 emission.

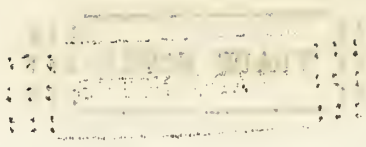
An injunction restraining the publication of a magazine called "Information Please" was granted Wednesday by New York Supreme Court Justice Carroll G. Walter on application of Golenpaul Associates, stagers of the radio skit "Information Please". The court held that the defendants had lost their right to the name after the magazine had ceased publication about two years before the radio production started.

The principal defendants in the suit were Stanley S. Boressoff and Information Publications Corporation. Mr. Boressford is the principal stockholder of the corporation. It issued two numbers of the magazine under the title "Information Please", in 1936. Recently it proposed reissuing the publication.

Revenue from spot and local advertising carried over the 15 stations programmed by NBC in February, 1940, amounted to $502,400, an increase of 31 percent over February, 1939, when the figure was $383,100, according to James V. McConnell, National Spot and Local Sales Manager of NBC. The February figure shows the same upward trend of the January, 1940, total of $516,400, which broke all previous records for the month and marked up a gain of 31 percent over the January, 1939, figure of $392,700.

Methods of calculating interference as embodied in the Federal Communications Commission's propagation curves, being recognized by the industry as a whole, take precedence over limited measurements, the Commission held this week in affirming its Proposed Findings of Fact and Conclusions of September 16th last, looking to authorizing the Salt River Broadcasting Co., licensee of Station KOY, Phoenix, Ariz., to change that station's frequency from 1390 to 550 kilocycles, the authorized power to remain at 1 kilowatt. The contemplated grant was opposed by the Oregon State Agricultural College, on the ground that it would interfere with operation of the latter's station, KOAC (550 kilocycles, 1 kilowatt), at Corvallis, Ore.

Stations KYUM, Yuma, Arizona, and WFMJ, Youngstown, Ohio, will join the National Broadcasting Company networks on March 15 and 24, respectively, bringing the number of NBC affiliates at that time to 186.



Crosley Corporation and Subsidiary report for 1939 a net profit of $84,949, equal to 16 cents each on 545,800 no-par capital shares, against $84,901, or 16 cents, the year before.

Contending the District of Columbia is one of the areas in the United States considered to be receiving the best radio service from a technical standpoint, the American Broadcasting Co., operator of Radio Station WOL, has challenged the authority of the Federal Communications Commission in issuing a license for a new radio broadcasting station in Washington to Lawrence J. Heller. It has asked the Commission to reopen the proceedings and to set the application down for a hearing. Mr. Heller asked the Commission to deny the petition of WOL, holding that a hearing would be but an "empty gesture".

James L. Fly, Chairman of the Federal Communications Commission, and Alfred J. McCosker, President of WOR and Chairman of the Board of the Mutual Broadcasting System, will be heard over WOR Tuesday (April 2) from 9 to 9:30 P.M., in a recorded rebroadcast of the addresses they delivered earlier in the day at the Radio Day luncheon of the Advertising Club of New York. Topics of both speakers will be announced later.

Proposed grant of a construction permit for a coastal harbor radiotelephone station at Cape Girardeau, Mo., to be operated in the public service by Eddie Erlbacher, was announced by the Federal Communications in its Proposed Findings of Fact this week. In connection with his towboat service, Erlbacher proposes to maintain a constant listening watch covering an area of approximately 20 miles. Distress calls, emergency calls, weather reports, river data, lock news, and similar information will be handled without charge. In addition, the station will provide two-way telephone communication between boats within the range of the station and land telephone stations.

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BYRD EXPEDITION RADIO CONTACTS AUTHORIZED

Authority to add the Byrd Little America antarctic and Fahnestock South Sea expeditions to R.C.A. Communications, Inc., point-to-point radio telegraph transmitting station at Rocky Point, N.Y., to enable those expeditions to receive programs especially addressed to them and broadcast by radio stations in the United States, has been granted by the Federal Communications Commission.

It was in the form of special temporary authority for the R.C.A. station to communicate with United States Antarctic Service Division, Department of the Interior, at Little America, and with the Fahnestock South Sea Expedition aboard the yacht "Director II" for contact control purposes only, for a period not to extend beyond the current year, provided that no interference is caused to the regular point-to-point service for which the Rocky Point station is primarily licensed. Additional R.C.A. point-to-point stations at Bolinas, Calif. and Kahuka, Hawaii, are to furnish contacts to the Fahnestock expedition under the same terms.

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RCA MOVES TO EXPAND TELEVISION SERVICE

Applications for licenses to construct and operate television transmitting stations in Philadelphia, Washington and Chicago were filed this week with the Federal Communications Commission by the National Broadcasting Company, it was announced by David Sarnoff, Chairman of the NBC Board, and President of the Radio Corporation of America.

These applications are one feature of a coordinated plan to advance the public services of television on all fronts, Mr. Sarnoff explained.

The initial phase of this plan was launched Tuesday when 400 RCA television merchants met in New York City. New television receiving sets, prices, and program plans were announced at this meeting.

"R.C.A. Communications, Inc., will shortly file applications to cover television relay service between New York and Philadelphia, supplementing the radiotelegraph and facsimile service which this company now renders", Mr. Sarnoff stated. As soon as the New York-Philadelphia television relay service is in operation, additional applications will be filed with the FCC to extend this service to Washington, D. C.

"Our successful experience in the production of satisfactory television programs, and the dependable performance of television receiving sets within a radius of 70 miles from the NBC television transmitter on the Empire State Building, together with the recent favorable action of the Federal Communications Commission with respect to television programs, enable us now to proceed to establish television on a broad public service basis", said Mr. Sarnoff.

The plans of RCA call for three major developments, Mr. Sarnoff stated.

"First, an active merchandising campaign has been announced by the RCA Manufacturing Company, in which the new RCA-Victor television and radio receivers will be offered at moderate prices. The new receivers have been priced on the basis of quantity production before volume sales have been reached, a reversal of usual merchandising methods.

"Second, the present television program service of the National Broadcasting Company, which in the past few weeks has included a Broadway play, an intercollegiate track meet, a panoramic view of New York City from an airplane, and the first television performance of Grand Opera by the Metropolitan Opera Company, will be expanded and improved in variety and extent as rapidly as practicable. . . . .

"Third, our invention of an efficient television radio relay system provides the means for interconnecting television transmitters for simultaneous delivery of programs in centers outside New York. Our initial step, the construction of such a relay system between New York and Philadelphia, will enable these two great metropolitan centers to exchange news programs, and the varied forms of education and entertainment made possible by television."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

RECEIVED MAR 20 1940

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No. 1218

March 19, 1940

"F.M." MORE IMPORTANT THAN TELEVISION, ARMSTRONG HOLDS

An intimation that frequency modulation broadcasting development will affect more persons than television was given by Maj. Edwin H. Armstrong, noted inventor, as hearings opened yesterday (Monday) before the Federal Communications Commission on the requests of "F.M." sponsors for more channels, greater power, and a lifting of the experimental limitation.

Major Armstrong, occupying the witness stand throughout the first day, defended the system of radio transmission that he has developed in the face of skeptical cross-examination by members of the Commission.

He predicted that FM stations gradually will replace the present day standard AM stations in urban centers because broadcasters, he explained, will want to replace an "imperfect medium" with a "perfect medium".

Rural areas will still have to depend upon standard amplitude modulation stations of today, Major Armstrong said, because of the difficulty in stringing a network of unwired FM stations across an area that can't support it commercially.

The operations of FM stations in the Northeast already have proved them superior in overcoming interference and static and in faithfulness of reproduction to present-day stations, the inventor said. The secret, he added, is the wider wave used in the ultra high frequencies.

Standard stations of today, Major Armstrong observed, cannot achieve high fidelity reproduction on account of "a mistake made by eight wise men, of whom I am one", when Herbert Hoover took steps to regulate the new industry as Secretary of Commerce. The mistake was the limitation of station separations to ten kilocycles, he explained.

There are now three manufacturers making FM transmitters and ten are licensed to produce FM receivers, the witness said. More than 75 applications for construction permits are awaiting action by the FCC.

Television, which only recently was given an "amber light" by the Commission, now stands somewhat in the way of FM broadcasting, a cross-examination of Major Armstrong disclosed, as frequency modulation sponsors want some of the channels assigned to visual broadcasting.

Major Armstrong suggested that television be moved up into the higher ultra high waves. Intimating that FM broadcasting has made greater progress than television, he replied that "a very small portion of the public would be affected" when Commissioner T.A.M. Craven asked whether the public should be deprived of television development to give the FM broadcasters what they wished.

"If I hadn't been burdened with the development of frequency modulation", Major Armstrong said, "I probably could have showed the television people how to use the high frequencies myself."

Chairman James L. Fly remarked that the FCC expected to see some "substantial improvements" in television by September 1st, when the new rules become operative.

An indication that the Radio Corporation of America will oppose any encroachment on the television channels in the bands around 40 megacycles came from Frank W. Wozencraft, counsel of RCA, who insisted that Major Armstrong read additional paragraphs from an RCA report on FM several years ago. The witness had read only a portion which endorsed the system.

Major Armstrong, in explanation, said that engineers of the R.C.A. Communications, Inc., had made one finding, but that RCA engineers had reached an opposite conclusion.

Commissioner Craven several times asked Major Armstrong how many 50 KW. FM stations would be needed to serve the entire country, but the witness insisted that he could not furnish the information. Subsequent witness might, he added.

Major Armstrong said that the primary service area of FM stations would be larger than that of standard stations of the same power and the clearness of signals considerably greater. FM stations, however, have no secondary service area, he added.

Relay distances, without wires, whereby an FM network can operate may be as great as 130 miles, the witness said.

Ten channels in the ultra high frequency band might be satisfactory as a starter for FM expansion, Major Armstrong said, although this would furnish "service of a sort" only in the East. Wide bands will provide much better service, he said, than narrow bands, experiments have shown.

Major Armstrong said that his predictions as to the future of FM, made during an FCC hearing in 1936, had "been borne out in every respect".

Anticipating objections from educational groups, he said he believed that they would want to broadcast with FM equipment once frequency modulation broadcasting is commercialized because it would give them the advantage of proximity to commercial channels on the receiver's dial.

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76 APPLICATIONS FOR FM; 22 HOLD FCC PERMITS

The latest count of applications for construction permits to erect frequency modulation stations is 76, all of which are awaiting the decision of the Federal Communications Commission on the general question of lifting the experimental limitation on FM and assigning it more channels.

Sixteen FM stations are licensed and operating and six more hold construction permits.

FM stations on the air are:

117,430kc.

W2XMN, Edwin H. Armstrong, north of Alpine, N.J.,/40,000 watts, 42800 kc.; W2XOR, Bamberger Broadcasting Service (WOR), New York City, 1,000 w., 43,400 kc.; W2XDA, General Electric Co., (WGY), Schenectady, N.Y., 50 w., 43200 kc.; W2XOY, General Electric Co. (WGY), New Scotland, N.Y., 150 w., 43200 kc.; W2XQR, John V. L. Hogan (WQXR), New York City, 1000 w., 43200 kc.; W3XO, Jansky & Bailey, Washington, D. C., 1000 w., 43200 kc.; W9XAO, The Journal Co. (WTMJ), Milwaukee, Wis., 1000 w., 42600 kc.; W2XWG, National Broadcasting Co. (WEAF), New York City, 1000 w., 42600 kc.; W2XAG, Carman R. Runyon, Jr., Yonkers, N. Y., 5000 w., 117190 kc.; W1XPW, WDRC, Inc., Hartford, Conn., 1000 w., 43400 kc.; W8XVB, Stromberg-Carlson Co. (WHAM), 1,000 w., 43200 kc.; W1XSO, Travelers Broadcasting Service Corp. (WTIC), Hartford, Conn., 1000 w., 43200 kc.; W1XSN, Westinghouse E. & M. Co.(WBZA), Springfield, Mass., 1,000 w., 42600 kc.; W8XVH, WBNS, Inc., Columbus, O., 250 w., 43000 kc.; W8XAD, WHEC, Inc., Rochester, N.Y., 1,000 w., 42600 kc.; W9XEN, Zenith Radio Corp., Chicago, Ill., 1000 w., 42800 kc.

FM stations authorized for construction:

W9XYH, Head of the Lakes Broadcasting Co., (WEBC), Superior, Wis., 1000 w., 43000 kc.; W3XMC, McNary & Chambers, Bethesda, Md., 100 w., 42600 kc.; W1XK, Westinghouse E. & M. Co. (WBZ), Boston, Mass.,1000 w., 42600 kc.; W1XTG, Worcester Telegram Pub. Co. (WTAG), Worcester, Mass., 1000 w., 43400 kc.; W1XOJ, Yankee Network, Boston, Mass., 50,000 w., 43000 kc.; The Crosley Corp. (WLW), Cincinnati, O., 1000 w., 43200 kc.

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STATIONS NUMBER 821 AS OF MARCH 1

The Federal Communications Commission issued operating licenses to two stations and granted four permits for the construction of new stations during the month of February. There were 771 stations operating and 50 construction permits outstanding as of March 1, bringing the total to a new high of 821.

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ASCAP HOLDS BUCK ARREST WAS RADIO "BOOMERANG"

The arrest of Gene Buck, President of the American Society of Composers, Authors, and Publishers has done the broadcasters, who instigated it, much more harm than the Composers, according to an official of ASCAP.

"Not the slightest harm of any sort has come to ASCAP as a result of the Buck arrest, nor has any good been done to the cause of the broadcasters", he said. "On the contrary, you would be amazed at the extent of comment written, telegraphed and telephoned that we have received which, to say the least, is very critical of this action upon the part of the broadcasters, and very complimentary to ASCAP as to its purposes, policies and method of operating. The act was a boomerang, and repercussions from it will for a long time be detrimental to the interests of those who fomented the matter.

"As to Buck, personally, I think it may have hurt him physically a good deal. He is not well - he was under tremendous mental strain for a prolonged period prior to the death of his mother, and her passing was a terrible shock. Seeking tranquility in a purely personal capacity out in the middle of the desert, broadcasters arrested him on faked charges at a time and under circumstances when they could give him the greatest inconvenience and personal humiliation. It was a wholly unworthy, unethical, malicious and contemptible act."

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NEW DEVICE HIDES SOURCE OF BBC BROADCASTS

A new secret British radio invention, more complicated, perhaps, in its scientific make-up than the recent electrical device that now enables ships to sail unharmed over German magnetic mines, has placed the British Broadcasting Corporation in the unique position of being able to continue its news and other programs without interruption by Nazi air raiders, according to a London correspondent of the New York Times.

In Germany and, for that matter, France up to a few days ago the approach of hostile aircraft has necessitated closing down the transmitting station in case its radio "beams" should give the airmen a guide to their destination - much the same way as ships are steered in fog by radio beams sent out from shore stations.

Now the British claim to have discovered a means of sending out radio programs without giving a listening airman any directional clue regarding its source, and the discovery is expected to go down in history as one of the outstanding radio achievements of the war.

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USE OF RADIO IN SPECIAL EMERGENCIES CITED BY FCC

There is one class of radio station license issued by the Federal Communications Commission which, though little known, is playing an increasingly important role in the economic life of the nation, according to the Federal Communications Commission. This particular type of license covers special emergency stations. These stations have already demonstrated their value in time of localized stress, and now loom as a valuable adjunct to the linking of communications for widespread protection of life and property.

Special emergency stations have rendered valuable service in regional disasters, such as the New England hurricane and in time of flood when the normal means of communication are destroyed or are rendered inoperative. It would be difficult to obtain information as to casualties and extent of demage, and even more difficult to restore communication, were it not for the temporary facilities which can be rapidly established to meet such emergencies. The use of special emergency stations in this connection is probably the most spectacular use to which these stations are now put.

The Long Lines Division of the American Telephone and Telegraph Company, as well as many local telephone companies, have been issued licenses for special emergency stations. Special equipment has been designed for the purposes. This equipment can be stored in a chest. In time of emergency, it can be loaded in a truck, driven to the scene, and quickly and easily set up for operation. When so used, the design of these stations permits either communication between construction crews at the scene of the emergency or the interconnection of regular land lines in such manner that regular subscriber communication can be re-established.

Aside from service in time of disaster, these stations are in growing daily use by public utilities. For example:

The economic life of our country has become so dependent upon electricity that a sudden and complete disruption of electric service to any large metropolis would make that city practically uninhabitable. The network of interconnecting electric power lines has greatly reduced the hazards which would be created by failure of a single plant. However, constant vigilance is required to maintain the transmission lines, which constitute this network, for the most efficient service. As these transmission lines normally carry very high voltages, and since they cannot be disconnected for any extended period, close coordination is needed between the working parties and the switching central at the power house.

Special emergency stations make this possible. Some utility engineers say the time is rapidly approaching when no power distribution system or gas, oil, or water distribution system operating over a large area will be considered fully equipped unless it has a radio communication system to augment the

wire, telegraph, telephone, and carrier current communication systems.

There is a particular day-to-day emergency demand for radio communication by public utilities within the metropolitan districts. To illustrate: Should an automobile run into a light pole and knock it down, electrical voltages of dangerous potentials are exposed and endanger passers-by. Also, there have been occasions in which a street car has run over a pedestrian and in order to remove the victim it has been necessary to jack up the street car from the rail. Without radio communication, it is necessary for a service truck to be dispatched from some far quarter to the scene even though a truck with proper equipment might be working only a block or two away.

Other emergency services of this nature include repairs of wires downed because of sleet, and restoration of power to hospitals, etc. To meet these situations, the Commission allocates appropriate frequencies and issues authorizations to public utilities interested solely in metropolitan area service.

Inasmuch as the number of frequencies available for such assignment is extremely limited, it is required that those public service units eligible to receive emergency station licenses cooperate among themselves in the choice and use of frequencies so as to avoid duplication and interference. For this and other reasons it has become common practice for various public utilities in a single area to pool their needs, one utility requesting the license and rendering the service while the other utilities receive this service and contribute to the cost of operation on a pro-rated basis.

Recent Commission authorizations illustrate this arrangement. In the New York metropolitan area there are a number of public utilities, including the New York Telephone Company, which are eligible for and have need of special emergency radio communication. In order to reduce the capital investment and to receive the maximum benefits from this type of communication, the New York Telephone Company has taken the lead and is constructing a sufficient number of special emergency stations to serve all utilities in that metropolitan area.

This radio service will be made available for the handling of only such communications as meet the definition of emergency in the Commission's rules and regulations. In order that the cost of operation may be recovered, and to prevent this new system from becoming a burden on the general telephone subscriber, the telephone company is to make charges to the various utilities concerned, in much the same manner as to the telephone and teletype subscribers. In other words, a definite charge per call will be made and the company will be given a guarantee in the form of a minimum service charge.

On January 1 of this year, 76 special emergency systems involving 368 individual transmitters had been authorized by the Commission.

The rules and regulations governing special emergency stations appear as Part 10 of the Rules and Regulations of the Federal Communications Commission, which are available in pamphlet form from the Superintendent of Documents, Government Printing Office, Washington, D. C., at a cost of 5 cents a copy. Information and application forms may be obtained either from the Washington headquarters of the Commission or from any of its field offices.

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FCC INSPECTORS HELP FIND ODD INTERFERENCE

Not all of the interfering noises which come out of a loud speaker are due to the operation of other radio stations, a neighbor's oil burner or the electric sign at the corner. Recently, severe interference was experienced to air-ground communication at one of the larger municipal airports. Although it was obvious from the nature of the interference that it was not caused by radio station operation, the Federal Communications Commission was requested to cooperate in the location of the sources.

After some investigation, the interference was located on the fifth floor of a building about two miles away from the airport. The machine causing the interference was a printing press equipped with a high tension device used to neutralize the frictional electric charge produced on the paper being printed. The actual source of the interference was a spark discharge in a defective high tension switch, which switch was connected with approximately twenty feet of unshielded wire. An adjustment made to the defective switch eliminated the spark discharge and the interference.

Because of their manifold duties and limited number, the Commission's Inspectors are physically unable to investigate all cases of interference. However, they are glad to cooperate when possible consistent with their regular duties and to give advice even though personal participation in an investigation is impracticable. Many power companies maintain apparatus for and have personnel trained in the location of the sources of interference and willingly cooperate with the public.

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Stations KSAL, Salina, KVGB, Great Bend, and KFBI, Wichita, all located in Kansas, are the newest affiliates of the Mutual Broadcasting System, swelling the total to 123. KSAL, Salina, operating on 1500 kc., with 250 w. day and 100 w. night, and KVGB, Great Bend, operating on 1370 kc. with 100 w. power, joined the network on March 16. KFBI is now located in Abilene, Kans. When the station moves to Wichita on May 1, its affiliation with Mutual will become effective. KFBI operates on 1050 kc. with 5000 w. power at sunset, Pacific time. These three stations, along with KTSW, Emporia, will form the newly-organized Kansas State Network, with WHB, Kansas City, Mo., as the key point.

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U.S. TELEVISION PROGRESS ALARMS BRITISH INDUSTRY

The British Postmaster-General was questioned in the House of Commons recently concerning the present situation with regard to television broadcasting in this and other countries, and whether he would consider an early resumption of television broadcasting, as an encouragement both to research work and to manufacturers of television sets, enabling them to establish a British product in world markets, according to the American Commercial Attache at London. The Postmaster-General replied that television service from Alexandra Palaces was suspended in the national interest on the outbreak of war, and he could hold out no hope of its early resumption. He stated he understood television services were being conducted in a few other countries, but he had no information suggesting they had passed the experimental stage.

"Despite this expressed opinion, agitation for resumption of television continues in the trade and press", the American representative reports. "It has been stated the Radio Manufacturers' Association is to ask the Postmaster-General to receive a deputation which will submit the case for reviving the British Broadcasting Corporation's television service from Alexandra Palace. Manufacturers believe that it would be possible to reopen the station, taking proper precaution to prevent the transmissions from being used as a beacon by enemy raiders. Leaders of the industry contend that Britain, which led the world in television, will fall far behind the United States unless an effort is made to continue regular programs during the war.

"An instance of America's progress was pointed out in the news that an American firm had developed a link extending the range of television to 1,000 miles. It was stated that similar equipment was actually order by the Post Office from a British firm in 1939 and was to have been delivered this Spring, which would have made possible the erection of provincial transmitters, taking their programs from Alexandra Palace. Television manufacturers maintain television will ultimately benefit export trade and provide foreign currency; it will encourage research for vital national purposes. Again the British manufacturers stress the fact that the last war gave America domination of the film market, and fear this may repeat itself with television."

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The Esso Television Reporter, first sponsored news series designed expressly for the new medium, will be televised for the first time Wednesday, March 20, over the National Broadcasting Company's Station W2XBS. William Spargrove, one of several NBC announcers used in the Esso daily broadcast news series, will be the reporter.

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$5,500,000 TELEPHONE RATE REDUCTION EFFECTED

Impending reduction of long distance telephone rates to effect a saving to the public of approximately $5,500,000 annually was announced last week by the Federal Communications Commission.

As a result of conferences and negotiations which it initiated with the American Telephone and Telegraph Company, long distance rates are cut to benefit the public by almost half a million dollars a month.

The reductions will apply to calls beginning with air line mileages of 420 miles and extend through the maximum mileage covered by the schedule, which is 3,000 miles. The proportionate reduction is increased with air line mileage so that the greatest reduction is at the maximum mileage represented approximately by the rates from New York to San Francisco. For example: The new schedules will reduce the station-to-station day rate between New York and San Francisco from $6.50 to $4.00. The reduced rates are to become effective not later than May 1.

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McNINCH WOULD BACK FARLEY, SAYS WILE

Frederic William Wile writes in his syndicated column:

"To the political sensation of the hour - President Roosevelt's reported and undenied statement that Jim Farley is ineligible, on religious grounds, to a place on the 1940 Democratic ticket - this column is enabled to make a significate contribution. It consists of categorical evidence that one of the men chiefly responsible for Al Smith's failure to carry the Solid South in 1928 would heartily support any presidential ticket of which Jim Farley might be a part. The man in question is Frank R. McNinch of North Carolina, former Chairman of the Federal Power and Federal Communications Commissions, and at present a Special Assistant to the Attorney General.

"About three years ago, when Mr. Farley's presidential ambitions began to bud, Mr. McNinch took occasion to communicate with the Postmaster General. At that time there were no suggestions of a Roosevelt third-term candidacy. Big Jim was just one of a dozen 1940 Democratic 'possibilities'. What the then F.C.C. chief said to Mr. Farley in effect was that if the national chairman should be the nominee this year, Jim's religion would in no degree militate against Mr. McNinch's hearty support of the ticket. The North Carolinian expresses no preference, as of today, for any Democratic candidacy, but as far as a Farley nomination might be concerned, the leading Southern 'Hoovercrat' of 1928 would not be swayed from his regular party allegiance on religious grounds. He would be heart and soul for Sunny Jim, should the latter be nominated at Chicago for either place."

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"DRIPPING DRAMAS" ON AIR DEFENDED BY BROADCASTERS

"Dripping" love dramas and the crackling of gangster guns on the air waves were defended last week as good business, if not culture, by broadcasting company officials as a symposium in Mount Vernon, N. Y., before representatives of Westchester women's clubs who are conducting an "I'm Not Listening" boycott of radio programs they find objectionable.

"We are in the broadcasting business to make money and dripping dramas pay for the worthwhile programs that don't pay their way", Donald S. Shaw, Executive Vice President of Station WMCA, told the thirty-five club presidents and committee chairmen, according to the New York Times.

He said that it might be a "sad commentary", but it was a fact that a leading soap company had found through surveys that the radio public listens to serial stories and "they sell soap - and plenty of soap."

Radio listeners like to be teased; that is why there are so many serials of the "Did Jenny really break her left leg? - Tune in tomorrow afternoon and find out" type, according to Mr. Shaw. He added that radio had never offended to such an extent as some of the comic magazines.

Mrs. Charles H. Phelps, Jr. of Bronxville complained that the radio hours from 5 P.M. to 8 P.M. had become "hideous" with sordid adventure and "cheap wisecracks that belong in the gutter". Her 9-year-old son, Mrs. Phelps said, had become, through the radio, altogether too familiar with "gun-toting gangsters, gun molls, the Big Boss and his henchmen, the inside of prisons and the hot seat". He knows, she added, "how to cover up a traip to escape the bulls, how to cut telephone wires, how to hide license plate numbers, so that he can scram successfully." She recommended as a substitute for gangland theatrics the dramatization of historical events dealing with romantic but actual heroes, even that stories from the Bible be sandwiched between Charlie McCarty and "flashes in staccato fashion on the latest tidbits from Hollywood" on Sunday evenings.

A. L. Simon, Publicity Director of Station WHN, advised the women to be patient. He said radio was in its infancy, but bad as some of its programs might be, it already had advanced education. "To women not so culturally fortunate as you club ladies, radio is a boon", he said.

Leslie Evan Roberts, a WMCA Vice President, asserted that there was "as much tripe to be found in literature and on the stage as on the radio". It was his opinion that the majority of listeners either did not understand or were bored by the higher type of program, and as long as they demand serials, they will get them.

Gilson Gray, Commercial Editor of the Columbia Broadcasting System, sent a letter expressing regret that he was unable to attend and deploring "the boycott inherent in the 'I'm Not Listening' campaign." It was, he said, "not quite democratic or American."

Mrs. Everett L. Barnard, Chairman of the "I'm Not Listening" Committee, reported that the movement had spread to 39 States.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

MAR 23 1940

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No. 1219

FM HEARINGS END FIRST WEEK; FCC ASKS MORE DATA

The first week of the frequency modulation hearing was concluded Thursday with a request by James L. Fly, Chairman of the Federal Communications Commission, that the Frequency Modulation Broadcasters, Inc., submit a plan for channel allocation so that the FCC might get a definite idea of how many channels would be needed to make FM broadcasting effective.

Spokesmen for the Radio Corporation of America stated they were prepared to present such a chart immediately, but Chairman Fly suggested that they wait until next week, when the inquiry will be resumed.

It was still too early to predict what the attitude of the Commission will be on the request of the FM sponsors for additional channels, but observers believed that the FCC will proceed cautiously so as to disturb the status quo as little as possible and yet give the new technique of radio transmission an opportunity to develop.

The inquiry will continue all next week except for a two-hour recess on Thursday so that the FCC may hear the weekly motions docket.

A day-by-day summary of the first week's testimony follows:

Maj. Edwin H. Armstrong, inventor of the new frequency modulation method of radio transmission on Tuesday testified that he has expended close to $800,000 of his own private funds on the development of the new method of static-free broadcasting.

This sum, he said, is equal to the amount of all royalties he has received from his other radio inventions, including the famous regenerative and superheterodyne circuits which paved the way for the present day type of radio receivers. Major Armstrong added that he will continue such research "as long as I can still pay for it".

The second day of the hearing before the FCC was concerned mainly with Major Armstrong's continued testimony, covering such points for members of the Commission as the possible effects of FM on standard broadcasting, modification of frequency allocations, and the patent situation with reference to FM.

In discussing the latter, the inventor told the FCC that his original superheterodyne and regenerative discoveries, sold together, netted him but $330,000 although they have meant

unestimated millions to radio manufacturers. His third outstanding discovery, the super-regenerative circuit, was sold for $425,000.

In his testimony, Major Armstrong suggested that the conversion of a single television channel to FM usage, coupled with frequencies now available, would more than handle all FM station needs for years to come. "The art", he stated, referring to regular broadcasting, "is on the verge of the greatest development in its history. There is no doubt in my mind that FM will relieve congestion in the present broadcast band."

Major Armstrong foresaw FM networks, without the use of wire lines as is commonly the case, in operation this coming Summer. Justifying his contention that frequency modulation is worthy of space in the radio spectrum despite similar demands by other radio services, he declared: "Frequency modulation is ready to give service to the public, the others are not."

Major Armstrong was followed on the stand by Paul A. Porter, Washington counsel for the Columbia Broadcasting System. On behalf of his client, Mr. Porter pointed out that although CBS has two license modifications for FM now pending before the FCC, the network has no actual operating data to present. However, he added, in the event of conflict between frequency modulation and television for channels, CBS has requested that the Commission give preference to the latter.

A third witness on Tuesday was Everett L. Diller of Kansas City, Mo., owner of high frequency experimental station W9XA. Describing his research with conventional methods of amplitude modulation on higher frequencies, Mr. Diller expressed a conviction that FM holds greater possibilities for broadcasters of the future.

A ten-year period of "evolutionary", not "revolutionary", radio progress was forecast Wednesday by John Shepard,3d, President of Frequency Modulation Broadcasters, Inc. He said that one decade would see present-day broadcasting swept from the the air, except in sparsely populated areas.

This change, he explained, will be demanded by the public once the FCC permits frequency modulation to go from experimental to commercial operation. Frequency modulation (FM) is the so-called static-free method of broadcasting. Its proponents, including Mr. Shepard's organization, are asking the Commission for broadcasting channel assignments which will permit the system to offer sponsored programs.

Members of the Commission questioned Mr. Shepard on the economic changes which might result through the authorization of two systems of broadcasting because of the fact that the receiving public would have to have two sets.

Mr. Shepard expressed the belief there would be a transitory period of an estimated 10 years when there would be a gradual shifting from the present amplitude modulation system to frequency modulation. During this period, he said, users of radio advertising would pay proportionate amounts for the service, based on the number of receivers for each system that were estimated to be in use.

Mr. Shepard said he thought it was essential that the Commission authorize frequency modulation for standard broadcast service in order to encourage licensees to have longer daily schedules. Under the experimental license system now prevailing for FM stations, Mr. Shepard said, the applications are limited to large corporations which have money to spend on experimentation and to those primarily interested in research. This limitation, he said, also had the tendency to freeze out smaller broadcasters who cannot enter the field until they have some assurance that they can get a return on their investment.

Following Mr. Shepard's testimony, three expert witnesses took the stand to tell why they, too, think FM is superior as a public service to the conventional amplitude modulation (AM).

During cross-examination of one of these, counsel for the Radio Corporation of America began to open the road for testimony possibly showing that all the good points claimed for FM are not necessarily inherent to the FM system. This was RCA's first active participation in three days of hearings.

Mr. Shepard, who is also the President of the Yankee Network, said that at first FM broadcasts would cost advertisers little and there would be few listeners. As FM pulls more and more listeners from AM, he continued, advertisers will have to use both systems. At the end of his ten-year estimate, the situation will be reversed, he said, with FM having virtually all the advertisers and charging high rates, and with AM having only a few at low rates.

On Thursday, Chairman Fly demanded that F.M. Broadcasters, Inc., submit a plan of radio channel allocation to demonstrate its claim for additional allocation.

Commissioner Fly insisted that the Commission could not consider the advantages claimed for FM unless those claims were reflected by a table demonstrating how its allocations should be assigned. The Commission asks, he added, that the claims be presented on the basis of operations.

Philip Loucks, counsel for F.M. Broadcasters, said the organization can show the efficiency and general needs of the new system, but cannot at this time plot the needs under operating conditions.

Horace Lonus, counsel for Major Armstrong, said that the F.M. group cannot draw plans without knowing how many channels

should be considered. The group, he added, has to have the assignments to start with.

Chairman Fly told him to start with the channels the F.M. proponents are seeking.

All the witnesses Thursday were technical experts presented by F.M. Broadcasters to show the good points of the system. They included Prof. Daniel C. Noble, on leave from the University of Connecticut; A. P. Sise, Supervising Engineer of the Yankee Network; Maurice Levy, Electrical Engineer of Rochester, N.Y.; and I. R. Weir, of General Electric, Schenectady.

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MONOGRAPH ON FCC PROCEDURE MAY BE PRINTED

The monograph prepared by the Attorney General's Committee on Administrative Procedure of the Federal Communications Commission and other Federal independent agencies, may be published soon as a Government document.

Senator Hayden (D.), of Arizona, introduced a resolution in the Senate Thursday asking that all of the Committee's monographs be published. The resolution was referred to the Senate Committee on Printing for a report.

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FINCH DEMONSTRATES FACSIMILE FOR NEWSMEN

A demonstration of the latest developments in facsimile radio transmission was given in Washington Thursday night for Capital newspaper men by William G. H. Finch, of New York, inventor of a facsimile system.

The exhibition was given at the Shoreham Hotel and was attended by many of the engineers and attorneys following the FM hearing before the Federal Communications Commission.

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Television broadcasts twice a week have started in Japan, according to Variety. Inaugural was on Empire Foundation Day, by the Broadcasting Corporation of Japan from the technical Research Institute at Kamata-cho, Setagaya, Tokyo. Special receiving sets have been spotted at the experimental laboratories of the corporation on Atago Hill, where the former broadcasting studios were located before the completion of the new build at Higiya, at the Tokyo Television Institute, the Tokyo Science Museum, in newspaper offices and department stores.

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PLANS FOR RMA CONVENTION AND SHOW COMPLETED

Tentative plans for the annual radio industry gathering at Chicago next June, for the sixteenth annual RMA Convention and the Radio Parts National Trade Show, both at the Stevens Hotel, have been completed, according to Bond Geddes, Executive Vice President. The RMA convention and membership meeting will be held June 11 and 12, and the Radio Parts National Trade Show, sponsored jointly by RMA and the Sales Managers Clubs, will occupy the entire Exhibition Hall of the Stevens Hotel, June 11-14. Virtually all exhibit space for the parts show has already been reserved, far in advance of schedule, with parts, tube and accessory firms having reserved 142 booths to date, equal to the reservations on May 7 last year. A "radio special" train is also being planned from New York to Chicago.

The annual radio industry banquet, for RMA members and guests, will be held Wednesday evening, June 12, in the Grand Ball Room of the Stevens Hotel. Chairman Paul V. Galvin and the RMA Convention Committee are arranging a program of entertainment. Another social event will be the annual industry's golf tournament on Thursday, June 13, at the Calumet Country Club.

The Radio Parts National Trade Show promises to be the most successful event since its inauguration. As usual, exhibits are confined to parts, accessories and tubes, without display of standard lines of receivers. The show, which promises to tax facilities of the Exhibition Hall at the Stevens Hotel, is again under the management of K. A. Hathaway. Tuesday, Wednesday and Thursday, June 11,12,13, will be observed as "Jobber Days", and the show will hold "Open House" for radio service men, amateurs and others in the industry on Friday, June 14, closing at 10 P.M.

President A. S. Wells of the RMA and the Convention Committee are arranging for many industry and group meetings during the annual June radio gathering. These will include meetings of the Radio Servicemen of America, the Sales Managers Clubs, "The Representatives", and other organizations of the industry. All four RMA general divisions - set, tube, parts and amplifier and speaker manufacturers - will hold meetings, and the annual membership luncheon meeting of RMA will be held on Tuesday, June 11.

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More than 20,000 Spanish-speaking people in Central and South America learning the English language by radio, judging by letters received by General Electric's international station WGEO. Two years ago a Spanish program was started in answer to requests for simple English lessons, and a series was begun with the weekly lessons later put in printed form and mailed to listeners upon request. Last year the original class had reached a point where it was difficult for a new "student" to pick up with the class and it was found necessary to start another class.

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"HAM" FINE BRINGS WARNING TO AMATEURS

Coincident with an announcement this week of the punishment of a radio amateur for unlicensed operation of a "ham" station, the Federal Communications Commission this week issued a warning to enthusiastic but careless youths interested in radio experimentation, and a veiled threat to spies who might employ such means to record messages.

Russell Callender, of St. Paul, Minn., was indicted for violation of Sections 301 and 318 of the Communications Act of 1934, as amended. The indictment contained two counts: operating an unlicensed radio station and operating a radio station without holding a valid radio operator license. The U. S. District Court imposed a fine of $25 on each count.

Sundry cases of unlawful operation of amateur radio stations coming to its attention has caused the Federal Communications Commission to warn that it is referring such matters to the local United States attorneys, with recommendation for indictment and prosecution.

"The Commission appreciates that enthusiastic youth can unwittingly violate the law in this respect, in which case warning and, perhaps, confiscation of apparatus, is sufficient to end the practice", an FCC spokesman said. "However, there has of late been an increase in the number of grown-ups who apparently knowingly and wilfully send out unlawful signals to interfere with authorized radio transmission, and sometimes even fake police and aviation calls with serious portent.

"All radio transmitting equipment is required to be licensed. This is to prevent confusion on the air. It should be apparent to anyone familiar with radio regulation that unlicensed operation is easily detected. To begin with, stations are identified by call signals and, further, they are assigned certain channels, called frequencies, for their emissions to travel in. The broadcast bands can be likened to highways, and the stations to autos with license tags. Each station is assigned a particular lane on the ether highway, and to deviate from it means "collision" with one or the other of the crowded adjacent lanes.

"When a station's emission strays from its allotted course there is interference. This interference is immediately detected by the Commission's inspectors engaged in monitoring activities, or otherwise policing the ether. The amateurs themselves are quick to report a strange signal or an erratic 'driver' on their ether course. Amateurs have rendered valuable emergency service in time of floods, hurricanes and other stress, and are justly proud of their record.

"Also, the appearance of unlawful signals can be reported by standard broadcast stations, on the basis of complaints of listeners; or by police, marine, aviation or other radio services experiencing new and strange interference.

"Such a report goes to the Commission's field office in the particular area concerned. A Commission monitoring station can record the illegal broadcast and check on the origin of the same. If necessary, mobile equipment is used to trade the 'pirate' station. This work entails time and expense on the part of the Commission.

"It is advisable to point out that amateur licenses (as well as all other radio licenses) are restricted to citizens. Also, amateurs are prohibited from using secret code. Hence, any strange message sent out on the air is heard by many ears and quickly reported."

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RCA MOVES TO PROMOTE TELEVISION IN NEW YORK

The Radio Corporation of America this week proceeded to promote the sale of television receivers in the New York area in anticipation of developments made possible in television broadcasting by the promulgation of liberalized rules by the Federal Communications Commission.

A special program service for New York owners of television receivers was announced by Alfred H. Morton, NBC Vice President in Charge of Television, as RCA took full page advertisements in New York newspapers to announce improved "television for the home".

Transmission of regular NBC network programs over the static-free television sound channel of Station W2XBS began Wednesday evening. The television sound channel is to be used three hours each night, with NBC network programs being broadcast at such hours as television programs are not on the air, Mr. Morton said. The new sound broadcasts will be selected from the schedules of both NBC networks and may include, in addition, some programs designed exclusively for the new service.

"For some time now", said Mr. Morton in making his announcement, "we have felt that the peculiar technical qualities inherent in television's sound channels could be made more serviceable both to televiewers and to families owning late model radio sets equipped to receive television sound. The television channel, is located in the realm of the ultra-short wave. The wave-length of Station W2XBS, for instance, is slightly more than six meters. This is so far removed from the wave-lengths used by nature that a severe thunderstorm is inaudible on the television sound channel and a bolt of lightning causes no more than a tiny click."

Mr. Morton's announcement accompanied a statement by David Sarnoff, President of the Radio Corporation of America, covering the tripartite RCA-NBC plan for television promotion. Mr. Sarnoff emphasized the reduction of prices to bring television receivers within the reach of the average American family and plans for a television network by means of the newly developed RCA radio relay.

"An improved program service has been evolved by the National Broadcasting Company", said Mr. Sarnoff, "and is now available to residents in the New York area within the transmission range of the RCA transmitter atop the Empire State Building. As soon as network relays are erected, the National Broadcasting Company will provide a program service for other communities. This relay service also will be available to other broadcasting companies desiring to transmit television programs."

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PALEY INVITES ADULT EDUCATION BOARD TO NEW YORK

The broadening scope of activities of the Columbia Broadcasting System under its Adult Education Board was emphasized this week in connection with invitations to fourteen leaders in education and public life of the country -- all members of the Board -- to meet Monday, April 8, at CBS's New York City headquarters. William S. Paley, Columbia's President, issued the invitations.

The Board meets with a two-fold purpose:

1 - to review CBS educational activities of the past year, including broadcasting of such outstanding programs as "Americans at Work" and the "People's Platform", which were created at the instance of the Board.

2 - to discuss proposals for new educational projects and further extension of present programs.

The Board will be afforded its chance to review CBS educational activities when Sterling Fisher, CBS Director of Education, presents his annual report.

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TRADE NOTES

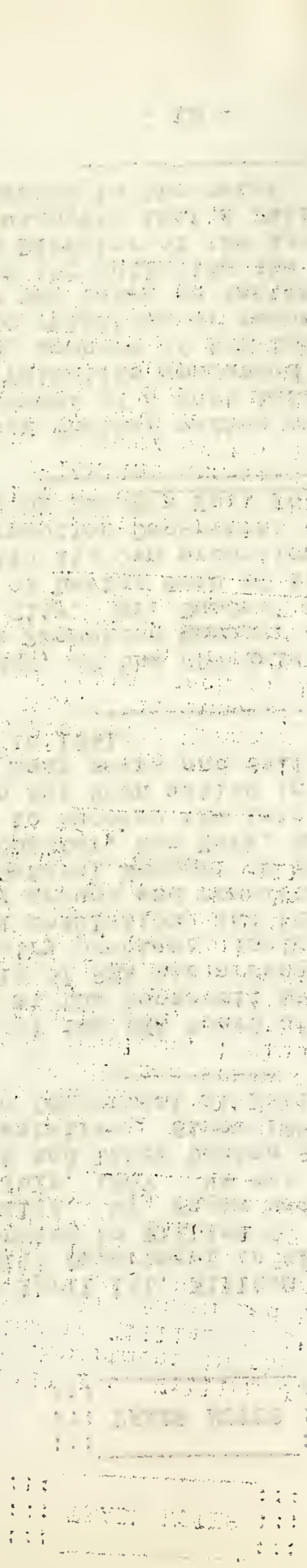
Effective April 1st, William J. Fagan returns to the Columbia Network Sales Department in the position of Assistant Sales Manager, according to William C. Gittinger, CBS Vice-President in Charge of Sales. Mr. Fagan had been with Columbia from December, 1929, to July, 1937. He was originally in the Sales Promotion Department and later became Sales Service Manager and then Account Representative. Since 1937 he has been Business Manager of the Radio Department at Benton & Bowles, Inc.

A meeting of the RMA Board of Directors will be held Thursday, April 11, at the Roosevelt Hotel in New York City. President A. S. Wells of RMA has arranged the meeting to consider many important industry problems, including developments in television and frequency modulation, and there also will be several meetings of industry groups and committees. Dr. Ray H. Manson, Vice President and General Manager of Stromberg-Carlson Telephone Mfg. Company, of Rochester, New York, has been elected to the RMA Board of Directors, to succeed the late George A. Scoville of that company. Dr. Manson has been active in the engineering work of the Association for many years and will serve as an RMA Director for a term expiring in 1941.

Jules Dundes, of the CBS Sales Promotion Department, has been named Sales Promotion Manager of WABC, Columbia's key station in New York City. Mr. Dundes' appointment is in line with the CBS policy of having each of its owned and operated stations function with its own promotion staff. Mr. Dundes has been in the Sales Promotion Department of CBS for four years. Prior to that he was on the New York Post for five years.

The question whether radios should be barred from taxicabs reached a settlement of a sort this week when New York City Police Commissioner Valentine announced that he had informed the Broadway Association, sponsor of the idea, that the police would not object "either to retention or removal of radios".

While this was taken as tantamount to a refusal of the Association's request for outlawing the taxicab radio, H. Frederick Bright, Managing Director of the Association, said that he understood on good authority that a ruling might be made by which a radio must be connected to the meter.



Federal collections of the 5 percent radio tax in February, 1940, totaling $632,977.54, were unprecedented in any other February since the radio tax became effective in 1932. The radio tax collections last month were 56.6 percent above the February, 1939, excise tax of $404,201.56, and compared with the January, 1940, collections of $678,062.77.

Frederick Mordaunt Hall, journalist, critic and author, has joined the Publicity Department of the Columbia Broadcasting System. He will work with E. R. Sammis, head of the Magazine Division of the Publicity Department. Mr. Hall comes to Columbia with a distinguished record as a newspaperman and critic both here and abroad.

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NBC TO BUILD GLASS NEWS BROADCASTING STUDIOS

A. A. Schechter, Director of the News and Special Events Division of the National Broadcasting Company, announced plans this week for the immediate construction of specially-devised news broadcasting studios to be built in the NBC News Room on the fourth floor of the RCA Building, Radio City.

In outlining the plans for the built-in glass studios, which will incorporate the latest technical radio developments, Mr. Schechter gave a three-fold reason for their immediate construction.

First, he said, was the strong possibility of additional war news from the long-threatened Spring offensives. Secondly, he named the impending political conventions and elections which, as in past years, will be covered completely by NBC, and, thirdly, he disclosed that NBC now is contracting for many additional sponsored news programs, making imperative the speaker-type studios which will be constructed. NBC has AP, UP and INS services.

The new studios will be built adjacent to the battery of teletypes over which flow in an endless stream the happenings, both big and small, in world capitals and remote hamlets, and the powerful short wave monitoring equipment, which keeps NBC in constant touch with the news of the world.

Mr. Schechter likened the new studios to "gold-fish bowls" as the glass structures will make the actions of the commentator inside visible to everyone in the News Room. Slots will be built into the sides of the studios so that news bulletins may be fed in a constant stream through the aperture without the necessity of opening a door.

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G.E. REDUCES PRICES OF TELEVISION RECEIVERS

As of March 15, marked reductions in the prices of all television receivers have been announced by the General Electric Company. The reductions range from $75 to as much as $200 on various models. The reductions follow:

Model HM-171, a table model picture receiver with sound converter, with a five-inch picture tube, reduced from $195 to $99.95.

Model HM-185, complete television receiver in console cabinet, with five-inch picture tube, reduced from $250 to $175.

Model HM-225, a 22-tube console with nine-inch picture tube, reduced from $385 to $310.

Model HM-226-7A, a 29-tube combination offering both television and three-band radio reception, reduced from $575 to $445. Has 12-inch tube.

Model HM-275-3A, top set in the G-E line, is a 30-tube deluxe combination console, offering both television and three-band radio reception, with 12-inch picture tube, reduced from $795 to $595.

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CBS $700,000 STUDIO TO OPEN MAY 15

As the most important project in its current expansion program, the Columbia Broadcasting System is spending $700,000 for remodeling the old eight-story Juilliard School Building, across East 52nd Street from its headquarters, 485 Madison Avenue, New York City, into a modern studio and experimental laboratory annex. The annex is expected to be finished about May 15 and will afford needed extra broadcasting space convenient to the CBS main building.

Using only the skeleton of the old structure, this annex will house seven studios, in which will be embodied very technical advance and also a revolutionary innovation for improvement in quality of sound definition.

The 30-year-old Manhattan landmark, formerly with row on row of windows, will present a strikingly changed facade, for it is to be windowless up to the sixth floor. The lower part will be of matt glazed terra cotta in grey and blue shades. The entrance will be in stainless stell, with doors of heavy sheets of non-shatterable glass, like those of the Madison Avenue headquarters.

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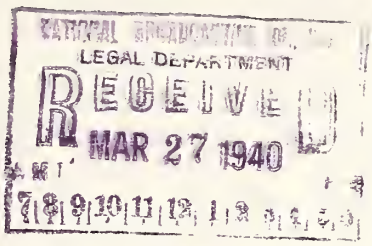
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



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No. 1220

March 26, 1940.

TELEVISION'S FUTURE UNCERTAIN AFTER FCC SURPRISE

The immediate development of television was halted this week and the newly-born industry's future was thrown into confusion following the surprise action of the Federal Communications Commission in suspending its recent order because of promotional activities of the Radio Corporation of America.

Just what the result of a new hearing, scheduled to start April 8th, will be, no one could say. The FCC action was interpreted in some quarters as a move "to crucify" RCA, which has taken the lead in the commercial development of television.

David Sarnoff, President of RCA, said in New York he was "amazed" at the FCC's action, which was announced on Saturday, while other leaders in the radio industry kept silent.

The FCC action was precipitated by Commissioner Paul Walker, a proponent of Government operation of utilities, and was seconded by Commissioner Frederick I. Thompson, newspaper publisher. It was supported by Chairman James L. Fly and Commissioner Thad H. Brown.

The only dissenting vote was cast by Commissioner T.A.M. Craven, who is understood to have protested that the FCC was exceeding its authority in trying to control the production and marketing of television receivers.

Newspaper advertisements appearing in New York papers were responsible for the Commission's action, it was said. These advertisements, containing a statement by RCA, were headed "Television for the Home". The statements outlined the recent development of visual broadcasting and invited "the participation of the public in this effort of American private enterprise to create a new art and new industry".

Members of the Commission who voted to reopen the inquiry argued that RCA was attempting to "freeze" the development of television despite the refusal of the FCC to fix standard lines for visual broadcasting at this time. They also expressed fear that the public is being persuaded to invest in receivers prematurely.

Mr. Sarnoff, who was at White Sulphur Springs, Va., issued a statement through his New York offices denying any intention of flouting the Commission's recommendations.

"I am amazed at the action of the Commission", Mr. Sarnoff said. "We have spent nearly $10,000,000 in developing television and in trying to create a new art and a new industry.

"We thought that we were proceeding exactly in accordance with the order on the subject recently adopted by the Commission."

The Commission's latest television move came only a few hours after the National Broadcasting Co., a subsidiary of RCA, filed an application with the FCC for a construction permit to erect a television broadcasting station in the National Capital. It was said to be the plan of the broadcasting company to have the station completed by December, and together with other stations to be erected throughout the country, to broadcast the inauguration ceremonies next January.

"Television promotional activities on the part of the Radio Corporation of America has prompted the Federal Communications Commission to order a further hearing, beginning April 8, to determine whether research and experimentation and the achievement of higher standards of television transmission are being unduly retarded by this company, its subsidiaries, or other licensees, and whether the effective date for the beginning of limited commercial operation should be changed from September 1 to some subsequent date", the FCC stated in announcing its decision. "Meanwhile, that section of the new rules permitting restricted commercialization is suspended pending further order.

"The current marketing campaign of the Radio Corporation of America is held to be at variance with the intent of the Commission's television report of February 29. Such action is construed as a disregard of the Commission's findings and recommendations for further improvement in the technique and quality of television transmission before sets are widely sold to the public.

"The question of the present status of television transmission and the feasibility of its general reception by the public was the subject of the recent extensive hearings before this Commission. Because of the fluid state of the art and the continuance of research and experimentation, the Commission declined for the time being to establish television transmission standards. Authority to issue such standards is of course vested only in the Commission. Recommendations to insure that the standards when issued would be based upon a sufficiently advanced technical state of the art were incorporated in the report of February 29.

"Actual demonstration to members of the Commission", the report pointed out, "indicates the need for further improvement in the technical quality of television." The Commission stressed the need of continued research in various significant phases of the field involving the number of lines and the number of frames per second, the retentive quality of screens, the mechanics of scanning, the problem of various screen sizes with particular reference to larger screens, the problem of polarization and the related question of the type of antennas, and various alternative methods of synchronization. Inherently this research and experimentation has potentialities of great value to the public.

"The intent of the Commission was to give the industry further opportunity to move forward in an orderly manner and upon a sound scientific basis without causing injury to the public and resultant injury to the new industry itself, particularly to other manufacturers cooperating in seeking to bring about video improvements through experimentation rather than crowding the market with present-day receivers which may soon become obsolete. Economic loss to the public, the report warned, would be occasioned by 'premature purchase in a rapidly advancing field'.

"Not all types of television transmission can be received by any receiver. In the present state of the art it is impossible to decide what type of transmitter will be made standard. More research and experimentation will be necessary, and is being conducted, before any such standardization can be achieved. Receiving sets constructed or on the market today may not be capable of receiving television programs from standardized television transmitters when the art has sufficiently advanced to permit such standardization. Public participation in television experimentation at this time is desirable only if the public understands that it is experimenting in reception and not necessarily investing in receiving equipment with a guarantee of its continued usefulness. Television is here to stay, but conceivably present day receivers may for practical purposes be gone tomorrow.

"Promotional activities directed to the sale of receivers not only intensifies the danger of these instruments being left on the hands of the public, but may react in the crystallizing of transmission standards at present levels. Moreover, the possibility of one manufacturer gaining an unfair advantage over competitors may cause them to abandon the further research and experimentation which is in the public interest and may result in crowding them into the market with apparatus at present efficiency levels. Rapid advance is desirable - but television is of great and permanent significance to the public. It is therefore of greater importance that the task be done thoroughly and with an eye to television's potential usefulness to the public. These are the goals which the Commission deems the public interest to require."

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An announcement of a public sale of property of the defunct Grigsby-Grunow Co. in the U. S. District Court for the Northern District of Illinois, Chicago, was released this week by Frank M. McKey, trustee in bankruptcy for the corporation. The sale will be at 11 o'clock April 8 in Room 1802, 7 South Dearborn Street, Chicago, before Referee Wallace Streeter.

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NAB AND ASCAP REOPEN WAR WITH NO HOLDS BARRED

The American Society of Composers, Authors, and Publishers and the National Association of Broadcasters, who have been fighting over music copyright fees for years, renewed their war this week with both sides determined to take no quarter.

ASCAP fired the first gun with a proposal to boost substantially the broadcasting industry's payments to the music copyright owners. Negotiations will start April 15, it was said. Neville Miller, President of NAB, who has been busy for several months organizing Broadcast Music, Inc., in an effort to give the broadcasters another source of music, issued a statement attacking the ASCAP's demands. And the war was on in earnest.

In its statement the ASCAP Board asserted that the use of music in radio had increased so materially since the contract now in effect was signed in 1931 that several new policies would be necessary in the new contract.

"A survey of radio in 1936 showed that during the first quarter 10,000 radio programs used a total of 638,302 musical compositions under the control of ASCAP", John G. Paine, General Manager of ASCAP, said. "The increase of the use of the Society's music on the radio is revealed in the report of the last quarter in 1939 which shows that 16,000 programs used a total of 2,169,503 musical compositions, a phenomenal increase in the use of music on the air.

"In 1932 advertisers paid radio approximately $25,000,000; in 1939 advertisers paid radio approximately $171,000,000. ASCAP fees are based on a percentage of radio gross receipts from advertisers. If radio's revenue is decreased, ASCAP's receipts decrease in proportion. Mr. Miller either purposely or accidentally reported the Society's receipts from radio at a sum $1,000,000 greater than they have ever been in any one year.

"As a side comment to this", Mr. Paine said, "radio broadcasters were given a flat deal by the Society in 1931 when the radio industry was in its infancy, under which agreement the broadcasters got their music for practically nothing. In 1932, it was found that the largest users of music on the radio were paying nothing, or practically nothing, for their use of music. Even today sustaining programs pay ASCAP only a nominal charge for use of our music."

Mr. Paine added that while the Society received more royalties from radio than from any other industry or profession, it should be kept in mind that 75 percent of all radio programs was composed of music from ASCAP's repertoire."

Mr. Miller immediately made the following statement:

"The American Society of Composers, Authors and Publishers made public today its demands for a 100 percent increase in

the payments made to it by the broadcasting industry. This increase is demanded by ASCAP despite the fact that the radio broadcasting industry is already making payments to ASCAP at the rate of five million dollars a year. This sum is five times as great as that paid by any other industry. It represents over two-thirds of ASCAP's total revenue and is an increase of 900 percent over the sums paid by broadcasters in 1931.

"Although most of ASCAP's statement talks about the alleviation of certain abuses which ASCAP itself admits exist in its present licensing system, when the camouflage is stripped away the proposal boils down to a demand that the broadcasting industry should double its payments for the radio performing rights in the compositions controlled by ASCAP's publisher and composer members.

"ASCAP's demand was put forward without previous negotiation with broadcasters and after a refusal to meet with the negotiating committee appointed by the National Association of Broadcasters. Although ASCAP attempts to divide the broadcasting industry by making concessions to certain groups, the total amount of the reductions which it suggests is inconsiderable compared to the total amount involved.

"Moreover, ASCAP's new plan perpetuates the major abuse about which broadcasters have always complained, and requires broadcasters to pay to ASCAP a percentage of all broadcasting revenue even that obtained for programs which do not utilize ASCAP music, such as news broadcasts, sports events and programs of classical music. The broadcasting industry will be unified in resisting demands, the effect of which would be to impose charges wholly destructive of the American system of broadcasting.

"ASCAP is again attempting to take advantage of its monopoly of popular music to impose an unfair method and rate of payment upon broadcasters, but ASCAP has this time overreached itself and has made demands which the broadcasting industry must resist as a matter of life and death.

"These demands will strengthen Broadcast Music, Inc., the organization recently created by the broadcasting industry to foster new creative talent by increasing the already widespread support of its aims."

Gene Buck, President of ASCAP, in Phoenix, Arizona, labelled Mr. Miller's statement "pure bunk".

"Certainly there will be an increase in payments, but only on the big commercial broadcasts, which can well afford it", he asserted. "Fees under the proposed contract would be collected at the source when the chains make their terms with advertisers. Hundreds of the smaller stations actually will pay less under the new set-up."

He charged that Mr. Miller "is setting up a smoke screen" to place himself in a good strategical position for bargaining conferences between the broadcasters and the ASCAP next month. The five-year contract expires on December 31st.

Broadcast Music, Inc., he termed a "puppet organization" of the National Association of Broadcasters.

"It cost the NAB more than $2,000,000 to set up this competing outfit", he added. "I wish them luck. They can have the glory, but we'll keep the artists."

Mr. Buck said that Mr. Miller's statement on increased costs under the new ASCAP contract was "about 75 to 80 percent off" on the gross.

Terms of the proposed contract call for royalty payments varying from 3 to 7½ percent of the broadcasters' income, according to the size of their stations, for use of ASCAP-controlled music, Mr. Buck explained.

The present contract requires payment of 5 percent of a radio station's income from advertising, in addition to a "sustaining" fee which varies according to a station's size or scope.

ASCAP is a non-profit organization of composers to protect their music copyrights and collect royalties on their songs.

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LICENSE OF STATION KGFI ORDERED REVOKED

The Federal Communications last week ordered revocation of the license of the Eagle Broadcasting Co., Inc., to operate radio station KGFI at Brownsville, Texas, effective April 15. If the company requests hearing within 15 days of formal notification, the order will be held in abeyance pending outcome of the hearing.

Unauthorized transfer of the management, control and operation of the station in violation of Section 310(b) of the Communications Act of 1934 as amended is the basis for the revocation order.

On or about October 7, 1938, the Eagle Broadcasting Co., by and through Ewol E. Wilson and Ernest E. Wilson of Corpus Christi, are alleged to have surrendered possession to James G. Ulmer of Tyler, and M. D. Gallagher of Brownsville. The latter are said to have exercised management until about April 22, 1939, when Lawrence D. Yates took contractural control.

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FCC WINS COURT VICTORY; MAY IGNORE COMPETITION

The Federal Communications Commission won a significant victory this week when the U. S. Supreme Court held that it does not need to consider the possible effects of competition in granting a construction permit for a new radio station. The decision means that free competition shall prevail within the broadcasting industry and only the fittest shall survive.

The opinion, written by Justice Roberts, reversed a ruling by the Federal Court of Appeals for the District of Columbia, which required the Commission to issue findings of fact on this question.

"Plainly it is not the purpose of the Federal Communications Act to protect a licensee against competition, but to protect the public", Justice Roberts said.

"Congress intended to leave competition in the business of broadcasting where it found it, to permit a licensee who was not interfering electrically with other broadcasters to survive or succumb according to his ability to make his programs attractive to the public."

Justice Roberts emphasized that Congress "has not, in its regulatory scheme, abandoned the principle of free competition."

No dissent was announced. Justice McReynolds did not participate.

The Court of Appeals directed the Commission to make findings of fact as to whether a proposed station to be operated by The Telegraph Herald of Dubuque, Iowa, would financially injure a station already operated by Sanders Brothers.

A license had been granted to The Telegraph Herald by the Commission, which contended that existing stations have no right to "protection from competition".

The Commission asserted that Sanders Brothers had suffered no legal injury, and had no right to appeal to the Court of Appeals.

The Supreme Court held that "resulting economic injury to a rival station is not in and of itself, and apart from considerations of public convenience, interest or necessity, an element the petitioner must weigh and as to which it must make findings in passing on an application for a broadcasting license."

The Supreme Court decision was the latest in a long string of victories for the youthful FCC counsel, William J. Dempsey, who argued the Dubuque case in the court early in February.

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FM CHANNEL NEEDS OUTLINED FOR COMMISSION

As the frequency modulation hearing went into its second week, FM Broadcasters, Inc., presented a partial plan of its channel needs to the Federal Communications Commission in response to a request made last week by Chairman James L. Fly.

Paul A. DeMars, Technical Director of the Yankee Network, said that the frequency modulation sponsors want six channels between 40 and 50 megacycles for development of aural broadcasting.

He said the kind of frequency modulation stations should be determined by the size and geographical distribution of communities to be served. For the present, he recommended confining frequency modulation broadcasting to urban areas.

Henry P. Thomas, General Electric radio engineer, described advantages of frequency modulation over standard broadcasting, contending a one-watt station under the new method to be the equivalent of a 50-watt transmitter of the present type.

Other witnesses were Dr. Greenleaf Whittier Pickard, consulting engineer for the Yankee Network, and E. R. Weir, General Electric engineer.

The Don Lee Broadcasting System has made application to initiate experiments in frequency modulation, according to Thomas S. Lee, President.

Research will be made in the Armstrong method on 1 KW, according to application made at the Federal Communications Commission. Frank Kennedy, Chief Engineer of the System, was in Washington this week at FCC frequency modulation hearings in support of the contention for the expansion of radio service.

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MAGNETIC STORM DISRUPTS RADIO WIRE COMMUNICATION

An invisible storm without wind or rain struck at radio, telephone, telegraph and cable services over half the world Sunday, disturbing communications for three to five hours, damaging electric plants, upsetting marine and aerial compasses, and causing hundreds of thousands of dollars damage and loss of revenue.

The magnetic disturbance, the worst in the memory of experts, was first observed at 8:49 A.M., at Cheltenham Magnetic Observatory, near Baltimore, Md. It reached greatest intensity between 11 A.M. and 2 P.M. Decreasing toward nightfall, it was accompanied by brilliant Aurora Borealis manifestations in northern latitudes and was expected to diminish gradually and to end Monday.

Northern lights were first reported seen in England between 9 and 10 P.M. (4 and 5 P.M., Washington time). The intensity of the storm was so great the lights might have been visible as far south as Washington had the night not been cloudy, Dr. John Fleming, Director of the Bureau of Terrestrial Magnetism, explained.

At 11 A.M., during the height of the storm, these events were taking place all over the world:

All radio telephone and cable service to Europe and radio to ships at sea was cut off, and service from San Francisco to Pacific points was subject to delay and interference.

Telegraphic service was seriously crippled, continuing only over special "carrier circuits" maintained between the busiest centers.

Short wave radio transmission became almost impossible, weak signals being heard from Rome and London, nothing at all from Paris, Berlin, Moscow, Stockholm and Holland.

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RADIO SIGNALS USED IN IONOSPHERE STUDY

Radio signals emanating from a recently constructed mobile unit will be used by engineers of the Bureau of Standards and National Geographic Society to observe changes in the ionosphere during the partial eclipse of the sun on April 7.

The ionosphere is a region of radio reflecting layers lying from 30 to 250 miles above the earth which makes long distance broadcasting possible by reflecting radio waves, which travel in straight lines.

The equipment will be set up in the vicinity of San Antonio, Texas, which is near the center of the eclipse path. Steadily increasing signals will be sent out and the time required for an echo to return will be recorded photographically, and will show variations in the ionization density of the layers and their heights.

Radio programs are stronger at night, engineers explain, because the higher layers become less densely ionized and radio signals reflected from them do not have to pass twice through the electrified region of the day layer, thus losing energy on the way. Engineers also believe that the observations may be helpful in determining the processes occurring on the sun which determine the ionization of the earth's atmosphere.

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TRADE NOTES

The Federal Communications Commission had adopted an order granting the application of Southern Bell Telephone and Telegraph Company for a permit to construct a coastal harbor station at Madeira Beach, Florida, to operate in the public service using frequency 2598 kc. (subject to condition that the frequency assigned may be changed by the Commission at any time without advance notice or hearing to another assignment within the band 2500-2600 kc.); maximum power 400 watts, unlimited time with A2 and A3 emission. This station will serve vessels in the Gulf waters along the west coast of Florida, an area between the areas now served by the Miami and Port Sulphur stations. In the area proposed to be served are the harbors of Tampa, St. Petersburg and Clearwater, Fla.

World radio markets series issued by the Department of Commerce last week included reports on Switzerland, the Bahamas (supplement), and British India (supplement).

William T. Meyers has been appointed to a new position as Executive Consultant for chain-store and sales policies, according to Edward Wallerstein, President of Columbia Recording Corporation.

H. V. Kaltenborn has been signed by the National Broadcasting Company for a series of commentaries to be heard over the NBC-Red Network on Saturdays from 7:45 to 8:00 P.M., EST, and on Sundays from 3:45 to 4:00 P.M., EST, beginning Saturday, March 30, and continuing on that schedule until he sails for Rome on April 27th. While travelling extensively abroad to study the progress of the war, he is to be heard frequently over NBC.

The French Government announced this week in Paris a national funeral would be given Edouard Branly, 95-year-old French physicist, next Saturday in Notre Dame Cathedral. Mr. Branly, whose invention of the coherer led Marconi to develop wireless, died last Sunday night without a radio in his Paris home.

"To think that I had something to do with its invention", he used to say in expressing his disgust over use of radio for propaganda purposes.

Dr. Branly was acknowledged in scientific circles as the discoverer of how to detect and receive wireless impulses, although credit for harnessing them goes to Guglielmo Marconi.

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TELEVISION TRADE HALTED BY FCC ORDER

The merchandising of television sets, which had been begun on a large scale in the New York area last week, came to an abrupt halt Monday, as a stunned industry attempted to digest the import of the Federal Communications Commission's suspension of its order permitting limited commercialization of television, starting on September 1, and its criticism of RCA's promotion plans, according to the New York Times' business page.

Manufacturers were confounded by the statement and dealers were equally upset. Only one organization, however, the Dealers Group of the Electrical and Gas Association, took public exception to the Commission's action. Mortimer Fogel, Chairman of the Dealers Group, made public a letter to the Commission urging it to rescind its action.

Officials of the RCA Manufacturing Company held several conferences in the day but issued no statement, preferring to await the scheduled reopening of the television hearings by the Commission on April 8. It was generally reported in the trade that RCA promotion and advertising of television sets would be held in abeyance until after the hearings.

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FIRST S-W RATE CARD ISSUED BY NBC

The National Broadcasting Company this week will issue its first rate card covering commercial international broadcasting to Latin America, according to an announcement by L. P. Yandell, in charge of commercializing NBC's short-wave service.

The new rate card, first of its kind ever issued, applies to both short wave stations owned and operated by the company, WRCA and WNBI, and allows sponsors to contract for a minimum of 13 weeks, instead of 52 weeks heretofore required, and for a minimum of five minutes per program, instead of the 15 minutes required previously.

Provisions are made for unusually high discounts and rebates, including a discount of 40 percent offered to yearly advertisers. Mr. Yandell explained this was in order to encourage purchases of time for longer periods.

Three languages will be used for the programs - Spanish, English and Portuguese. The latter classification will cost less because of the smaller number of such language groups as compared with those understanding Spanish or English.

Hourly rates are listed at $300 for Class A time in the Spanish and English classifications and at $180 for Portuguese programs. Mr. Yandell revealed that a listener breakdown shows an audience approximated at 800,000 in Argentina; 350,000, Brazil; 150,000, Mexico, and 160,000, Cuba.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
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FCC COURT VICTORY ALSO COMFORT TO BROADCASTERS

Despite the fact that the Federal Communications Commission was sustained by the U. S. Supreme Court in the Duguque, Iowa, case, as reported in the previous issue of the Heinl Service, the text of the decision gave comfort this week to broadcasters who have feared encroaching Government control of their business.

The Supreme Court, while holding that the FCC does not need to recognize the economic consequences of the licensing of radio frequencies, went further in its interpretation of the Communications Act and pointed out that the law gives the FCC "no supervisory control of the programs, of business management, or of policy" of licensees.

After reviewing the history of the case, the Court commented on its significance thus before announcing its decision reversing the Court of Appeals and upholding the FCC.

"We hold that resulting economic injury to a rival station is not in and of itself, and apart from considerations of public convenience, interest, or necessity, an element the petitioner must weigh and as to which it must make findings in passing on an application for a broadcasting license.

"Sec. 307 (a) of the Communications Act directs that 'the Commission, if public convenience, interest, or necessity will be served thereby, subject to the limitations of this Act, shall grant to any applicant therefor a station license provided for by this Act.' This mandate is given meaning and contour by the other provisions of the statute and the subject matter with which it deals. The Act contains no express command that in passing upon an application the Commission must consider the effect of competition with an existing station. . . . . .

"In contradistinction to communication by telephone and telegraph, which the Communications Act recognizes as a common carrier activity and regulates accordingly in analogy to the regulation of rail and other carriers by the Interstate Commerce Commission, the Act recognizes that broadcasters are not common carriers and are not to be dealt with as such. Thus the Act recognizes that the field of broadcasting is one of free competition. The sections dealing with broadcasting demonstrate that Congress has not, in its regulatory scheme, abandoned the principle of free competition, as it has done in the case of railroads, in respect of which regulation involves the suppression of wasteful practices due to competition, the regulation of rates and charges, and other measures which are unnecessary if free competition is to be permitted.

"An important element of public interest and convenience affecting the issue of a license is the ability of the licensee to render the best practicable service to the community reached by his broadcasts. That such ability may be assured the Act contemplates inquiry by the Commission inter alia, into an applicant's financial qualifications to operate the proposed station.

"But the Act does not essay to regulate the business of the licensee. The Commission is given no supervisory control of the programs, of business management or of policy. In short, the broadcasting field is open to anyone, provided there be an available frequency over which he can broadcast without interference to others, if he shows his competency, the adequacy of his equipment, and financial ability to make good use of the assigned channel.

"The policy of the Act is clear that no person is to have anything in the nature of a property right as a result of the granting of a license. Licenses are limited to a maximum of three years' duration, may be revoked, and need not be renewed. Thus the channels presently occupied remain free from a new assignment to another licensee in the interest of the listening public.

"Plainly it is not the purpose of the Act to protect a licensee against competition but to protect the public. Congress intended to leave competition in the business of broadcasting where it found it, to permit a licensee who was not interfering electrically with other broadcasters to survive or succumb according to his ability to make his programs attractive to the public.

"This is not to say that the question of competition between a proposed station and one operating under an existing license is to be entirely disregarded by the Commission, and, indeed, the Commission's practice shows that it does not disregard that question. It may have a vital and important bearing upon the ability of the applicant adequately to serve his public; it may indicate that both stations, - the existing and the proposed - will go under, with the result that a portion of the listening public will be left without adequate service; it may indicate that, by a division of the field, both stations will be compelled to render inadequate service. These matters, however, are distinct from the consideration that, if a license be granted, competition between the licensee and any other existing station may cause economic loss to the latter. If such economic loss were a valid reason for refusing a license, this would mean that the Commission's function is to grant a monopoly in the field of broadcasting, a result which the Act itself expressly negatives, which Congress would not have contemplated without granting the Commission powers of control over the rates, programs, and other activities of the business of broadcasting.

"We conclude that economic injury to an existing station is not a separate and independent element to be taken into consideration by the Commission in determining whether it shall grant or withhold a license."

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FM HEARING ENDS; FREQUENCIES ARE ISSUE

After eight days of testimony, the Federal Communications Commission concluded the frequency modulation hearing Thursday and asked all parties to submit briefs by April 15 as it took the case under advisement. No decision is expected before May.

While observers agreed that FM sponsors had made a good case for the new technique of radio transmission, the two major practical problems were left unsolved, i.e., whether wide or narrow bands are to be used and where the additional FM frequencies are to come from.

Major Edwin H. Armstrong, inventor of frequency modulation, and the FM Broadcasters, Inc., made a strong plea for wide bands and urged that additional channels be allocated to FM between 42 and 50 megacycles, which includes television's No. 1 channel, 44 to 50 megacycles.

The Radio Corporation of America, on the other hand, urged the Commission to approve narrow band transmissions and opposed invading television territory. As a compromise RCA witnesses suggested that television transmissions continue on present channels in New York, Chicago and Los Angeles, and that the frequency be used for FM broadcasting in other parts of the country.

Should RCA be forced to adopt a new wavelength for its television broadcasting in New York, witnesses said, it would be forced to build a new transmitter.

John R. Howland, Assistant to the President of the Zenith Radio Corporation, endorsed FM broadcasting as a supplemental service to standard or AM broadcasting but suggested that the FM broadcasters put the brakes on their enthusiasm. High fidelity broadcasting is not needed for children's programs, such as "Heigh ho, Silver", he said.

Frequency modulation broadcasting should be developed as an adjunct to AM broadcasting, he said, especially in areas that are not now served adequately.

Mr. Howland wanred against any move that would make obsolete millions of present-day radio receivers, but he predicted that the home of the near future will be equipped with an FM receiver as well as a standard set.

J. E. Brown, Zenith engineer, disclosed that Zenith is preparing to market a combination AM and FM receiver for $125.00. He predicted that with increased production the prices of FM receivers will come down.

The FCC was urged Wednesday to let the public decide whether "frequency modulation" radio stations - claimed to be free of static - are better than those using standard broadcast channels.

The Radio Corporation of America and its associated companies believe the new method is ready for commercial use, Frank W. Wozencraft, RCA counsel, told the Commission.

"We believe that it is impossible for any one to predict with any certainty the future of this new service", said Mr. Wozencraft. "Naturally, ultra high frequency, also known as high fidelity sound broadcasting will be in competition with standard band broadcasting, and only the public can determine which the public will prefer, and for which it is willing to pay, through the purchase of new receiving sets."

Major Armstrong and the F.M.B.I. asked for the television channel, now used by S2BX, operated by the National Broadcasting Company, a subsidiary of RCA. RCA offered a compromise plan under which channel 1 would be left to New York, Chicago and Los Angeles, where transmitters are working but would be given to FM elsewhere.

E. K. Jett, Chief Engineer for the FCC, pointed out that this arrangement would permit only five FM stations in New York, provided the Armstrong wide-band transmission was used. Already in New York there are four wide-band transmitters working with applications for more than twice as many.

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CHICAGO TELEVISION IS ONE YEAR OLD

Today (Friday, March 29) marks the first anniversary of Chicago's only television transmitter, W9XZV, owned and operated by the Zenith Radio Corporation. Experimental television programs have been transmitted from this station five days each week for the last year. A number of television receivers manufactured by Zenith have been loaned to experimenters and technicians in the Chicago area for observation and suggestion.

Continuous practical experiments under actual field conditions have resulted in a variety of improvements to both transmitter and receivers. However, Commander E. F. McDonald, Jr., President of the Company, announces that it is not entering into the manufacture of television receivers for sale to the public during the present stage of television development.

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The Western Division of the National Broadcasting Company will celebrate its thirteenth birthday Friday, April 5. The first Pacific Coast NBC Network program was heard April 5, 1927, over a network which linked five cities: San Francisco, Seattle, Portland, Spokane and Los Angeles. Today the Western Division of the National Broadcasting Company serves the eleven Western States and Hawaii through 36 stations of the NBC Red and Blue Networks.

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ASCAP AND CBS EXCHANGE CURT LETTERS

As the current battle between the American Society of Composers, Authors and Publishers and the National Association of Broadcasters continued this week, the ASCAP and the Columbia Broadcasting System exchanged curt notes.

John G. Paine, ASCAP official, wrote a letter to William S. Paley, President of the Columbia Broadcasting System, complaining that Edward Klauber, CBS Vice President, had walked out of a conference on the proposed new music copyright rates for radio.

Mr. Paine explained that a meeting of representative broadcasters had been called to get a "cross-section" view from the radio industry. After he had read a prepared statement and invited questions, Mr. Paine said, Mr. Klauber rose and "after delivering himself of a few mumbled remarks, indistinct and unclear, peremptorily left the room.

"The Committee feels that this man's conduct was unbecoming a gentleman and completely discourteous and certainly an abuse of the invitation extended to your Company", the letter continued. "We are certainly reluctant to believe that this discourtesy reflects in any degree the spirit of your Company.

"In view of the above, the Committee will be personally grateful to you if your Company will be represented by some person other than Klauber in any future discussions between us.

"You will be interested in knowing that this is the first letter of this character that has been written in the twenty-five years of our existence."

To this Mr. Paley replied, as follows:

"I am very sorry to hear from your letter that you regard Mr. Klauber's actions at your meeting yesterday as being discourteous. I have worked with Mr. Klauber for many years and know that it is impossible for him to behave in the manner interpreted by you in your letter.

"Having heard accounts of this meeting not only from Mr. Klauber but from Mr. Ream (Joseph Ream, CBS staff attorney), I am amazed that you should write such a letter or try to tell one of your largest customers who shall or shall not be delegated to have business dealings with you.

"Mr. Klauber was very much disturbed at the obvious attempt to eliminate the National Association of Broadcasters from the discussions with you, and stated clearly that so far as his company was concerned, your proposals would be referred to the negotiating committee of the National Association of Broadcasters. I am heartily in accord with his determination to resist all attempts to split our industry into hostile camps.

"Mr. Klauber, as Executive Vice-President of this Company, has complete charge of such business matters as may arise between your Society and this Company. If at any time he chooses to delegate this function to some one else, that is wholly a matter for his own decision."

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INQUIRY OF "PICK-UP" AND "DELIVERY" SERVICES ORDERED

The Federal Communications Commission this week announced that, on its own motion, it had instituted inquiry into the ramifications of the "pick-up" and "delivery" services furnished by the various telegraph companies.

Twelve telegraph carriers were ordered to show cause, at a hearing at a date to be set later, why the Commission should not find that:

"1. The furnishing, free of charge to certain customers or classes of customers, and not to others, of printer tie-lines, Morse tie-lines, telephone tie-lines, messenger call boxes, pneumatic tubes, messenger service, or other service or service equipment, or the making of allowances in lieu thereof, results in unreasonable discrimination;

"2. The doing of any of the things described in paragraph 1 above, except as specified in schedules duly published and filed with the Commission, constitutes an unlawful rebate or refund;

"3. The classifications, regulations, and practices of the carriers in connection with the things described in paragraph 1 above, or some of them, are unreasonable or otherwise unlawful; and

"4. The furnishing of special services, or special classifications of service, at special rates, such special services or classifications being conditioned upon the doing by the carriers of any of the things described in paragraph 1 above, is unreasonable, unreasonably discriminatory, preferential, prejudicial, advantageous, or disadvantageous; and why the Commission should not enter an order or orders directing the carriers, or any of them, to cease and desist such violations of the law, or such other order or orders as may appear to be appropriate in the premises."

The respondents are: The Western Union Telg. Co., New York City; Postal Telegraph Cable Co., New York City; R.C.A. Communications, Inc., New York City; Mackay Radio & Telg. Co. (Del.), New York City; Mackay Radio & Telg. Co. (Cal.), New York City; Globe Wireless, Ltd., San Francisco, Cal.; Press Wireless, Inc., Chicago, Ill.; Pacific Tel. and Telg. Co., San Francisco, Cal.; Commercial Cable Co., New York City; Commercial Pacific Cable Co., New York City; All America Cables & Radio, Inc., New York City; French Telegraph Cable Co., New York City.

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"Mr. Lawson, as Director [illegible] of this Company, is complete charge of each Municipal matters as may seem advisable for [illegible] and this Company. It is also [illegible] Municipal [illegible] to [illegible] the city, [illegible] a meeting for [illegible] the [illegible]."

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INDEXING OF "PICKUP" AND "DELIVERY" [illegible]

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POLICE RADIO "CHASING" TO BE PROSECUTED, SAYS FCC

It has been brought to the attention of the Federal Communications Commission through complaints from police departments and other parties that certain automobile repair men, ambulance operators, and other unauthorized persons are making a practice of intercepting police shortwave radio messages relating to automobile accidents, crimes, etc., and using them for their own benefit, or for the benefit of other parties not entitled thereto, with the result that police investigation of mishaps and crimes is being hampered.

The United States Supreme Court in Weiss et al v. United States, 308 U.S. 321, decided December 11, 1939, that clauses 2 and 4 of Section 605 of the Communications Act of 1934 protect local intrastate communications as well as interstate and foreign communications from interception and divulgence. This section reads as follows:

"Sec. 605. No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purport, effect, or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee, his agent, or attorney, or to a person employed or authorized to forward such communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and no person not being entitled thereto shall receive or assist in receiving any interstate or foreign communication by wire or radio and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; Provided, That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress."

"It would appear from the Court's construction of those clauses that any person who intercepts a local intrastate message and divulges the existence of same or uses the same for his own benefit or for the benefit of another not entitled thereto acts in violation of this section", an FCC spokesman said.

"The Commission's inspectors are being instructed to investigate complaints alleging violations of this nature in order that the Commission may refer to the appropriate United States Attorney for prosecution the cases in which it appears an indictment should be sought."

Heavy penalties are provided in Section 501 of the Communications Act for violations of its provisions. That particular section reads:

> "Sec. 501. Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing, in this Act prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this Act required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished for such offense, for which no penalty (other than a forfeiture) is provided herein, by a fine or not more than $10,000 or by imprisonment for a term of not more than two years, or both."

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TELEVISION NEWS TEST HELD DISAPPOINTING

"Television's swaddling clothes effort at sponsored news broadcasting Wednesday night left something to be desired", Robert U. Brown wrote in last week's Editor & Publisher. "The highly touted attention-holding quality of the medium was not what it should have been, which might be explained by the fact that the spot news field is something radically new for television.

"Although FCC dictum prohibits television time from being sold until September, this was the first sponsored news broadcast. Esso Marketers, long sponsors of the Esso Reporter on regular broadcasts, paid for the out-of-pocket expense of the broadcast, its radio agency, Marschalk & Pratt, arranging all the details. The program, broadcast over NBC's W2XBS, was the first of a series to be sponsored by Esso every Wednesday night.

"Previewed by approximately 80 representatives of newspapers, trade press, and advertising, the 10-minute broadcast was good enough to provoke the imaginative mind to see the vast possibilities of the medium. Improvement, in control of static and finer screening, during the last year when this writer last saw television, was particularly notable."

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FLY TO ADDRESS RADIO EDUCATION SESSION

A program including Chairman James Lawrence Fly, of the Federal Communications Commission, Lyman Bryson and his CBS "People's Platform", George V. Denny, Jr., of Town Meeting of the Air, and Ed Kirby, NAB Public Relations Director, has been arranged for the Eleventh Institute for Education by Radio at Ohio State University, Columbus, Ohio, April 29 to May 1.

Chairman Fly will address the Institute at the annual dinner meeting Tuesday, April 30. He will be introduced by Judith Waller, Western Division Educational Director of the National Broadcasting Company.

For the first time, announcement of awards for the Fourth American Exhibition of Recordings of Educational Radio Programs will be made on the opening day. The announcement will come at the close of the morning session.

The National Association of Educational Broadcasters and the National Association of Teachers of Speech will hold closed meetings Monday evening. Ed Kirby will preside at a joint session of the National Association of Broadcasters, and the educational directors of CBS and NBC stations.

George V. Denny, Jr., and Frank E. Mason, NBC Vice-President and Assistant to the President, will be Chairman of two sections devoted to special problems. These will be held Monday evening. Mr. Denny is to preside at a discussion on Adult Education by Radio, and Mr. Mason will be Chairman of the section Pre-Professional Training of Radio Personnel.

Following the dinner Tuesday evening, round-table discussions will be held on eight general topics. Ed Kirby of the National Association of Broadcasters, will lead the discussion on Handling Controversial Issues. The section on News and Special Events will have as chairman A. A. Schechter, NBC News Editor and Special Events Director.

Subjects of other round-table discussions are Writing for Radio, Radio Production, Radio Workshops, Educational Script Exchanges, Recordings for School Use and Engineering Quiz Section.

On Wednesday morning the Institute will hear Guy Hickok, Manager of the International Division of NBC, who is to speak on "Developments in International Broadcasting". At the same session, Leonard Power, coordinator of research for the Federal Radio Education Committee, will discuss the activities of the FREC.

As in previous years, proceedings of the Institute will be published in a yearbook, "Education on the Air". All sessions will be held in the Deshler-Wallick Hotel except on Tuesday and Wednesday mornings, when meetings will be held at the Social Administration Building on the campus of Ohio State University.

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DIAL-PLATES OF TIME

The period of the vernal equinox this year has brought with it a new problem for New York's Overseas telephone staff.

Flanking the A. T. and T. Company's "precision clock" in the window of its headquarters at 195 Broadway are eight other clocks, showing the time of day in other cities throughout the world. The clock times now shown are those for London and Paris, Berlin and Rome, Honolulu, Tokyo, Buenos Aires, Rio de Janeiro, Sydney, and San Francisco. The Overseas staff has assumed the duty of keeping these correctly set. This is no very great burden for people who handle calls to a score of remote countries daily, in which they must learn to convert clock-times with the east of an international trader dealing in dollars and sterling. The element requiring particular attention at this time of the year is the practice now common in many countries of changing the clock to get more sunlight hours for the working day.

This is not as simple as it sounds, because there is no international accord as to the date for changing the clock. It is, in fact, a gradual process spread over a considerable period:- beginning this year early in February, when London and Paris went on summer time on account of their nightly black-outs, and continuing through April, with America about the last to push its clocks ahead for the summer.

This is not entirely a period of one-way changes. If our days get longer, somebody else has to pay for it. In this case it's the people in the southern hemisphere. That is why Buenos Aires recently changed from summer time to standard. The result was to change the clocks of Buenos Aires so that they now read one hour ahead of New York, instead of two hours. This, it might be added, is only a temporary condition. When New York goes on daylight-saving time, the watches and steeple-clocks of the two cities will read the same. Thus there is a two hour spread in the course of a year.

These are among the shorter time intervals featured in the window at "195". For example, the Honolulu clock sometimes shows yesterday's time. Again, the hands on the Tokyo and Sydney clocks may mark tomorrow's time. Fortunately, however, the change due to daylight-saving schedules is not proportional to the distance, but is in all cases an hour.

There is one other feature which is encountered where one deals with standard time throughout the world. The selection of the reference meridian is sometimes a matter of local taste or convenience, and the variation from New York time is not always measured in even hours. Honolulu, for example, is five and a half hours behind New York; and when it's noon in New York, it's 5:20 P.M. in Amsterdam.

It is not probable that this task of the Overseas staff will be reduced to routine, as the company plans to change the

list of cities, and consequently the hours shown, now and again - that is to say, from time to time.

Except for these changes it will probably not be necessary for the Overseas staff to give much attention to the clocks at "195" after the end of April. At the end of the summer, however, when the sun is nearing the equator again on its southern slant, the hands of practically all of the clocks will go through the reverse motions, with the northern hemisphere going back to standard time and the southern hemisphere seizing daylight by the forelock.

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TELEVISION PROGRAM CARRIED 250 MILES

A record distance reception of a regular television network program brought New York City Easter services to the peak of Whiteface Mountain near Lake Placid in a weather observatory where hurricane winds and 18-below-zero cold greeted Easter morning, General Electric Company reports.

The television signal was carried 250 airline miles by relay from New York City through General Electric's relay television transmitter near Schenectady. G-E television engineers and four weather men saw the Fifth Avenue Easter parade in the midst of one of the winter's severest onslaughts on the top of the third highest peak of the Adirondacks.

The G.E. relay station is about midway between the transmitter of the NBC in New York City and Whiteface. It was the longest test made of the reception of the relayed signal since the beginning recently of regular network television programs.

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Telephone operating companies of the International Telephone and Telegraph Corporation in nine foreign countries report aggregate net gains of 5,393 telephones in February and 12,348 in the first two months of 1940. The two months increase compares with gains of 8,400 in 1937, 10,900 in 1938 and 11,000 last year and the February figure also represents a steady increase. These companies operate in Argentina, Brazil, Chile, Cuba, Mexico, Peru, Puerto Rico, Rumania and the international settlements of Shanghai, China.

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Printed copies of a broadcast by Gabriel Heatter on the occasion of the eighteenth anniversary of Station WOR, New York, February 22, were being distributed this week.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
RECEIVED
APR 3 1940

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No. 1222

April 2, 1940.

LUNDEEN ASKS PROBE OF FCC ON TELEVISION ORDER

An investigation of the "confusion of orders" by the Federal Communications Commission was asked of the Senate Monday by Senator Lundeen (Farmer-Labor), of Minnesota, as the latest development in the FCC television controversy.

As editorial writers and columnists assailed the decision of the FCC to reopen the television case next Monday, the Commission stood firm.

Senator Lundeen's resolution, which was referred to the Senate Interstate Commerce Committee, follows:

"Whereas the Federal Communications Commission on February 29, 1940, issued an order permitting limited commercial sponsorship of television beginning September 1, 1940; and

"Whereas television interests immediately launched a manufacturing, advertising, and sales promotion campaign; and

"Whereas the Federal Communications Commission on March 22, 1940, rescinded its order of February 29, 1940, with resultant confusion in the minds of the public and causing abandonment of manufacturing, advertising, and sales programs which had, in effect, been authorized by the Commission's earlier ruling: Therefore be it

"Resolved, That the Senate Committee on Interstate Commerce is hereby requested to investigate the actions of the Federal Communications Commission in connection with the development of television and, in particular, to ascertain whether the Commission has exceeded its authority, and whether it has interfered with the freedom of public and private enterprise."

Another indication of Congressional interest in the FCC order was the placing in the Congressional Record appendix an article by David Lawrence, Washington columnist, attacking the television order. The insertion was made by Representative Stefan(R) of Nebraska.

Asserting that the FCC order, if sustained, will add to the unemployment problem, Mr. Lawrence charged the Commission with "usurpation of power" and "arbitrariness".

In a subsequent column Mr. Lawrence said that the Supreme Court decision in the Sanders case clearly showed that the FCC has no authority to regulate the business activities of the radio industry. The FCC, he added, should rescind its order immediately "and let the American people have television".

David Sarnoff, President of the Radio Corporation of America, called at the White House last Friday and talked with President Roosevelt regarding the FCC order but made no comment. officials at the FCC expressed the belief that the President would back up the Commission.

As other pioneers in the television industry protested the FCC action, Lewis Allen Weiss, Vice President and General Manager of the Don Lee Broadcasting System, and Harry R. Lubcke, Director of Television for Don Lee, started for Washington to represent Thomas S. Lee's W6XAO, Los Angeles television station, at the hearing next week.

As editorial writers in the leading newspapers condemned the FCC action, Edgar Jones, radio news writer, in a letter to the Washington Post came to the defense of the Commission.

After pointing out that a television receiver might be made obsolete overnight by a change in the number of lines used in transmission, Mr. Jones said:

"If receivers in their present state were sold widely and such a change did come about - to blackout existing public investment - no doubt your editorial writer would dash off a piece on Government responsibility for preventing blue-sky sales.

"Television will have to forge ahead, but since it is an unknown and untried development and since its use depends upon a thumping public investment, it will have to go forward at a snail's pace. The FCC in this case appears to be right in its insistence for caution."

Industry observers generally regarded the FCC action as unwarranted. The Commission, meanwhile, was none too happy under the barrage of criticism. An observer close to the Commission commented that the members were "acting like a bunch of wild men" and there were indications that the FCC majority might "crack down" the harder on the Radio Corporation of America once the inquiry begins.

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WSAL LICENSE REVOCATION AFFIRMED

The Federal Communications Commission has affirmed its order revoking the license of radio station WSAL, Salisbury, Maryland, effective at 3 A.M., March 31. In doing so, it adopted its proposed findings of fact and conclusions of October 24, 1939, with supplement and modification.

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FIVE RADIO PROGRAMS CITED ON LOTTERY CLAUSE

Five radio programs deemed to violate that section of the Communications Act prohibiting lottery broadcasts were last week referred to the Attorney General by the Federal Communications Commission.

They are "Musico", broadcast by Station WGN, Chicago; "Songo", broadcast by Station WIP, Philadelphia; "Especially For You", broadcast by Station WFIL, Philadelphia; "Sears' Grab Bag", broadcast by Station WISE, Asheville, N.C., and "Dixie Treasure Chest", broadcast by Station KRLD, Dallas, Texas.

"Musico" is sponsored by the National Tea Company, Chicago. Cards are supplied by National Food Stores and other sources. Each card has five rows of squares and five squares in each row. Names of songs are involved. To win a cash prize in this "game" one must be lucky enough to get a card with the songs listed that are broadcast, must listen to the program broadcast, and must fill out or check the correct names of the songs or musical selections broadcast, and must be the first to telephone the answer to the radio station.

"Songo" has similar characteristics, employing cards furnished by the Nevins Drug Company, Philadelphia.

In "Especially For You", a wheel is spun to determine from Philadelphia and suburban directories the person who is to be given a chance to win a Farnsworth radio. If the party selected has a telephone he is called. If he answers the phone and answers two questions satisfactorily, he receives a radio. If he does not respond correctly, he is given two tickets to "Mystery History", a network show.

"Sears' Grab Bag" involves a box of numbered slips of paper placed in front of the Sears' store in Asheville. The advertising manager of the store selects the numbers. If the holders of the numbers are in the broadcast audience they receive prizes. If they are not listening in the nearest numbers get the prizes.

In the "Dixie Treasure Chest" program the announcer selects a number from the Dallas telephone directory. If the party called answers the telephone he or she is asked, "What is the color of the border of the Dixie Margerine package?" If the party answers correctly, a prize of fifty dollars is the stake.

As in the case of Tums "Pot O' Gold" and the Mead's Bakery programs previously referred to the Department of Justice, complaints allege that such gifts by chance, and public announcements of them, violate Section 316 of the Communications Act which bans broadcast of "any advertisement, or information concerning any lottery, gift enterprise, or similar scheme."

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RADIO WOULD PAY ASCAP $8,500,000 IN '41, SAYS MILLER

Acceptance of the terms of the American Society of Authors, Composers, and Publishers by the broadcasting industry would cost radio $8,500,000 in 1941, according to an estimate by Neville Miller, President of the National Association of Broadcasters, in the current NAB Reports.

Due to several indefinite features of the ASCAP proposal it is possible only to estimate what it would mean to the broadcasters in dollars and cents, NAB said.

The radio industry paid ASCAP $3,878,752 in 1937, the most recent year for which figures are available. Under the ASCAP proposal, broadcasters would have paid $6,508,036.

Projected to the business reasonably expected in 1941, NAB estimated that the proposal would require payment of $8,500,000 in that year.

In a "Letter to All Broadcasters", Mr. Miller said:

"In spite of the taunts and sneers of ASCAP, BMI, only recently organized, forced ASCAP's hand and proposals intended to be made public in December, 1940, were announced on March 21st. Although, upon first reading, these proposals may appear attractive, especially to the small stations, a careful study reveals that it is ASCAP's purpose to divide the industry so as to levy increased tribute. Also, by the continuation of the blanket tax on gross receipts, eliminate the incentive to the development of non-ASCAP music and thereby perpetuate ASCAP's monopoly in the music field.

"The proposal, although indefinite in many aspects, is sufficiently definite to outline ASCAP's general views concerning the terms for renewal of licenses, and the proposal, plus ASCAP's actions, clearly indicates that although lip service is given to the idea of negotiation, in effect, ASCAP has summoned its largest customer to another Munich and dictated the terms of surrender.

"In studying the proposal, it would be well to keep in mind at least the following facts. Briefly analyzed, ASCAP's proposal demands a payment of approximately $8,500,000 for 1941. This means that, considering the reasonable expected increase in business, over the next ten years broadcasters will pay a total of at least $100,000,000, not for the purchase of ASCAP catalogues, but merely for the use of same. Without consideration of the stations' views, operating problems or other interests, and without consultation with the industry, ASCAP rejects the 'per program' basis of payment. We shall continue to pay on news broadcasts, sports events, programs of classical music and other programs containing no ASCAP music. Regardless of the decline in the use of music, we pay the same percentage; regardless of the popularity or merit of ASCAP music or the development of other sources of music, we pay the same percentage of our gross to ASCAP.

"ASCAP recognizes the principle of clearance at the source, but without any consultation with the industry as to a feasible or equitable plan, announces a plan designed to divide the industry into warring groups. No one group within the broadcasters' ranks is obligated to fight the battles of any other group, yet we know that the interests of all are related, that an additional burden of $3,500,000 placed upon the industry, regardless of where it first falls, later adjustments will spread the burden over most of the industry. The networks have definitely stated that they cannot accede to the terms and the question immediately arises of the value of an ASCAP license to the affiliates and even to the independents if ASCAP tunes are not played on the networks.

"Last July, the broadcasters decided to definitely solve the copyright problem, BMI has been incorporated, 284 stations have pledged $1,253,189.05, a staff has been organized, contacts made within the music field, and we are on our way for once to really constructively solve one of our most troublesome problems. The real danger which threatens the industry today is that the apparent attractive features which are dangled before the industry in the ASCAP proposal may tempt some to accept temporary benefits rather than to continue the fight for a permanent solution.

"My advice to each broadcaster is to study the proposal carefully, especially regarding the effect upon affiliates in the absence of any agreement between networks and ASCAP, the effect upon independents in the absence of agreements with networks and affiliates with ASCAP, the effect upon our efforts to ever secure a 'per program' basis of payment and the opportunity to develop non-ASCAP music, and the effect upon BMI.

"In the future, we shall have other problems to meet on an industry wide basis. BMI has already produced some tangible results. Shall we grab the first benefits and live to regret not ascertaining the full possibilities of industry wide cooperation?"

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NEW "SUN SPOT" ATTACK SCHEDULED APRIL 20

Stricken with a hangover from Easter's seizure of sun spots, short wave radio and telegraph lines Monday were reduced again to sporadic attacks of gibberish. The tangled communications were nothing, however, to what may be expected about April 20. Then, when the sun has made one of its 27-day revolutions, the agitated face it presented Easter Sunday will bear once more on the earth. Should the sun spots still be present, according to Dr. John A. Fleming, Director of the Bureau of Terrestrial Magnetism of the Carnegie Institution, a slightly milder repetition of the Easter disruption of communications will result.

Monday's surge of earth currents, which affected short-wave radio and all grounded wire circuits, followed what Dr. Fleming described as a "flare" on the sun Thursday.

Radio reception from Europe was disrupted and trans-Atlantic telephone service was silenced but regular broadcasting programs went ahead as usual. The telephone company reported no disturbance on its lines.

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A. T. & T. FOREIGN COMMUNICATIONS SERVICES EXTENDED

The American Telephone and Telegraph Company has been authorized by the Federal Communications Commission to augment overseas point-to-point telephone service from its transmitting station at Lawrenceville, N. J.

The company's license was modified to permit the use of seven frequencies (7315, 10110, 10560, 14615, 15395, 18370 and 21310 kilocycles) to provide additional facilities for public service to Europe and South America, and a construction permit was issued for two additional transmitters and one power amplifier to enable that station to do this work.

Subject to provision to prevent interference to other stations, WMA-2 (7315 kc), WMA-3 (10110 kc), WMA-5 (14615 kc), and WMA-7 (18370 kc) will operate in transatlantic service, while WMA-4 (10560 kc), WMA-6 (15395 kc) and WMA-8 (21310 kc) will be used in South American service.

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REALLOCATION WORK STARTS AS TREATY IS FILED

Engineers of the Federal Communications Commission started work this week on drawing up preliminary reallocation orders for the FCC based on the Havana Treaty as the document became operative with the filing of a signed copy by Mexico at Havana last Friday.

Completion of the reallocation lists is expected within a few weeks although FCC engineers are still occupied with frequency modulation and television technical problems.

While the FCC has renewed all licenses of standard broadcast stations to expire as of August 1, it was predicted that because of the many variables involved this deadline could not be met. The date may be postponed until Fall or early Winter.

All of the nations parties to the Havana agreement, worked out in 1937, must submit their revised allocations to the Cuban Government before any final shake-up is effected. As conflicts in allocations are expected, an engineering conference probably will be held shortly after filing of their lists by Canada, Mexico, Cuba and the United States. With that accomplished, the nations can mutually agree upon an identical effective date, or time when all stations will assume their new assignments.

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FARMER'S RADIO IN DANGER, CONGRESS IS TOLD

Calling attention to what he termed "a new type of bureaucratic domination now being attempted in Washington", Representative Andresen (R.), of Minnesota, this week inserted in the Congressional Record appendix an article from the April issue of the National Grange Monthly with the heading "The Farmer's Radio in Danger".

"Radio broadcasting service to American farmers is in jeopardy, according to reliable information in Washington", the article stated. "With more than 70 percent of the farm homes of the Nation dependent upon service from 'clear channel' radio stations, it is reported that there is a possibility that the Federal Communications Commission, the body that regulates radio, may curtail these stations in order to give more service to the big cities.

"It has well been said that 'eternal vigilance is the price of liberty'. This truth applies to the threat confronting the farmers and other remote radio listeners. While our liberty is not involved in the customary sense, the right and opportunity of farmers to hear the Nation's best radio programs at night is at stake.

"The danger to radio listeners living on many farms and in remote areas springs from the possibility that the Federal Communications Commission may abandon its heretofore consistent policy of having 'clear channels'; that is, certain channels on which stations of high power render radio service over wide areas....

"Under all the circumstances, farmers and others who dwell in the big open spaces of the country should become vocal. It would be entirely proper for residents of the rural districts to write the Federal Communications Commission, Washington, D. C. requesting that nothing be done to impair the fine radio service we now have. The point should be emphasized that clear-channel radio service for people living in small towns and in the rural sections is just as necessary today as it ever was."

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MONOPOLY REPORT'S APPROVAL DELAYED INDEFINITELY

Another postponement in the release of the Federal Communications Commission's Monopoly report was forecast this week as new complications arose. The report, already a year in the making, may be tied up indefinitely, it was learned.

Although the report has been back and forth between the Committee which conducted the inquiry and members of the FCC staff several times in the last few months, it is again before the Committee, and it will be at least a month before the Committee can meet on the matter again, it was said. The Commissioners are not inclined to discuss even the possible time of its completion.

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Both Committee Chairman Thad H. Brown and Commissioner Frederick I. Thompson put it in the very indefinite future.

As originally written, it was learned, the report had a number of recommendations for obtaining control over operation of the broadcasting chains now outside the Commission's jurisdiction. One, it was learned, dealt with control of contracts between chains and their affiliate stations by requiring FCC approval.

The original draft of the staff report has been rewritten several times, it was said, and one of the drafts has even been to the White House, and now is back with Chairman James L. Fly, the only other FCC member to get a copy aside from Committee members

One explanation of the delay on the report is that many collateral matters are being developed before the Commission, and results of these inquiries will give the report strength if and when it is presented. Former Chairman Frank R. McNinch promised it to Congress months before he resigned, and Mr. Fly, in the course of questioning before the Senate Appropriations Committee in January promised it in a few weeks.

Chairman Fly said, however, that many conditions had arisen which have prevented Committee consideration of the report. One was that matters requiring attention of the Commission had kept the Committee from meeting, and the other was that Commissioners had to be out of town on various other matters.

There have been changes in the Committee since the investigation, which included six months of public hearings, was started. The original committee consisted of Chairman McNinch, Commissioners Brown, Eugene O. Sykes and Paul Walker. Commissioners McNinch and Sykes resigned, and only one place on the Committee was filled, that of Judge Sykes, whose place was taken by Frederick I. Thompson.

The staff work was completed early last Fall. Because of the rather broad recommendations for controlling big business, it was said there have been wide differences in the Committee, with the majority, favoring broad control of the chains.

Commissioner Walker left last week for the Pacific Coast where he is to conduct hearings on telephone rate cases, and it was said it will be a month before he returns during which time there will be no consideration of the report. It was said the members are not disposed to consider such a drastic measure without having the full Committee present.

Without considerable revision of the Communications Act by Congress, it was asserted, the Commission is without authority to put into effect any reforms it might deem desirable to get control of the broadcasting chains. And this was emphasized in the Supreme Court opinion in the Sanders Bros. case in which Justice Roberts drew a rather close line as to the jurisdiction of the Commission.

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MILLER NAMES ASSISTANT; SPENCE QUITS NAB

C. E. Arney, Jr., Public Relations Director of KOMO-KJR, Seattle, has been appointed as Assistant to Neville Miller, President of the National Association of Broadcasters, effective April 1, it was announced this week.

At the same time, NAB announced that Edwin M. Spence, Secretary-Treasurer of the NAB, has presented his resignation to the Board of Directors. The resignation is to become effective May 1.

Mr. Arney, who received his grade school and high school education in Pocatello and Boise, Idaho, and Washington, D. C., was graduated with an LL.B. degree from the University of Washington in 1915. He spent the next three years in the United States Attorney General's office in Washington. He then returned to the Northwest where he engaged in association work with various organizations until 1932 when he became editorial commentator and news reporter on Station KOL. Since then he has engaged in various radio activities, including the conducting of radio programs from the State Capitol.

Mr. Spence has been Secretary-Treasurer of the NAB since its reorganization in 1938. He is one of the oldest members of NAB and served as a member of its Board of Directors for many years and was Vice-President of the Association in 1930-31. He also has been Chairman of the Annual Convention Committee for the past fourteen years.

Recently in association with Stanley Horner and Dyke Cullum, both well-known Washington residents and business men, he formed the Capital Broadcasting Company and applied for a license to operate a local, full time station in the District of Columbia. Mr. Spence will be General Manager in charge of the station if the FCC grants the application.

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THREE TYPES OF SHIP AUTO ALARMS APPROVED

As a result of extensive tests, the Federal Communications Commission has approved three types of ship auto alarms as complying with requirements promulgated by the Commission in 1935. They are Mackay Radio and Telegraph Company types 101-A and 101-B, and Radiomarine Corporation of America model AR-8600. The approval is effective April 1 for a period of seven years.

"The Commission recognizes that the art of radio communication is in a state of rapid development and that improvements to automatic alarm receivers may be expected", an FCC spokesman said. "For the time being, however, the alarms just approved are capable of meeting the requirements of the Commission applicable to such

ATTACK MARKS ANNIVERSARY SERVICE QUITS WAR

C. C. Army, Jr., radio director of Communist Party-line broadcasts, has been appointed to Wendle Willkie, Treasurer of the National Association of Broadcasters, effective April 1, it was announced Fri.

At the same time, Mr. Army resigned his position as Secretary-Treasurer of the NAB, but remained his membership in the Board of Directors. The resignation is to become effective Apr 1.

Mr. Army, who received his early school and high school education in Brooklyn, was living, Mass, and Washington, D. C., graduated with an U.S. degree from the University of Pennsylvania in 1923. He spent the next three years in the Marine Corps. Mr. Army's entire ex-Washington. He then returned to the Columbia Univ until 1930 when he became editorial director and vice president in charge of radio operations for the State Capital.

Mr. Army has been a frequent witness before the Congressional committee in 1939. He is one of the oldest officers of the service and was a member of the Broadcasters for many years and was vice-president of the Broadcasters in 1947-48. He was also Chairman of the Association's Committee on All Band Utilization and Standardization.

Recently in connection with Senator Tobey's new Communications Bill, Army urged Congress to set up a Federal Communications Commission to replace the present Federal Communications Commission. He said the present FCC is "hopelessly inadequate" to handle the problems of the broadcasting industry.

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THREE TYPES OF EARS AND ALLERGY REMEDIES

As a result of extensive tests, the Physical Committee on Immunization has approved three types of help and allergy for the Medical Association of Pediatrics, effective April 1, it was announced Fri.

The Committee approved the use of the Army-Navy type of ear, the Army-Navy type of ear, and the Army-Navy type of ear.

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equipment as used on board cargo ships in compliance with the Safety of Life at Sea Convention, London, 1929, and Title III, Part 2, of the Communications Act."

At the same time the Commission modified its Ship Service Rules 8.164 and 8.212 and adopted two new rules, 8.131 and 8.168, in connection with the final approval of existing ship auto alarm equipment.

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LA GUARDIA THREATENS TO GO OVER FCC'S HEAD

Mayor Fiorella LaGuardia of New York on Friday threatened in an FCC hearing to "see Congress" if the Commission refuses to extend the operating hours of WCNY, New York's municipally owned radio broadcasting station.

The colorful mayor spoke caustically of some programs on the commercial stations.

Testifying at an FCC hearing, the Mayor surprised a packed room when he asked dramatically:

"What will happen if we go on the air anyway - without your permission?"

Trial Examiner R. H. Hyde appeared taken aback and offered no reply.

Station WCNY now has a temporary license for operation from 6 A.M. to sundown. Mayor LaGuardia, who testified that as Mayor he directed this non-commercial station in the interest of New York citizens, asked for an extension of the operating time to 11 P.M.

Opposing him at the hearing were attorneys for Station WCCO, of Minneapolis, a Columbia Broadcasting System outlet which is on the same operating frequency.

"A publicly owned station, operating in the public interest, should take precedence over a private commercial station", Mr. LaGuardia shouted, coincident with an attack on the big broadcasting companies for their "arrogance". "They need a good dressing down", he said of the majro networks. "The quicker, the better for the American people."

Previously Mayor LaGuardia insisted on making a speech, which was stricken from the record at the instance of the opposing attorneys, eulogizing the public service rendered by his station in disseminating everything from market produce information to the housewife to broadcasting spiritually elevating and educational programs.

"Some of their programs are darn good, but some are terrible. In fact, they're lousy", he said of commercial programs. "Our programs are not connected with soap, toilet water or breakfast foods. We don't get a dime for our time."

Mr. LaGuardia came to the hearing armed with two copies of the Congressional Record, from which he read liberally.

"Like all former Congressmen", he cracked, "you'll notice I'm only quoting my own remarks. . . . .I never thought any of this stuff would ever become useful." He read excerpts from his House remarks in 1926 dealing with governmental powers over radio.

In cross-examination, Mayor LaGuardia chided the Columbia-owned station for opposing him.

"You shouldn't be here in the first place", he replied to a pointed question from Attorney Duke Patrick. "It certainly is very bad taste for Columbia to come here to oppose the City of New York."

He described the whole procedure as contrary to the spirit and intent of the law.

"If the law doesn't suit you, then you claim you're going to take other action?" he was asked by Patrick.

"You bet I am", the Mayor replied. "I'm going to take it before Congress. It's the right of every American citizen."

The hearing was adjourned to April 10, when engineers will argue the technical aspects of the New York station's request.

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RADIO ADVERTISING HOLDS LEAD IN AD GAINS

"Despite the fact that the business indices which were soaring in the last quarter of 1939 have been declining, national advertisers appear to be regaining confidence rapidly and a fairly well-sustained spurt in ad expenditures is under way, agency men remarked yesterday", the New York Times, business page, commented this week. "The gains are still confined to the flexible media, newspapers, weekly magazines and radio, but April issues of the monthlies are making a better showing than did the March publications.

"Newspapers and radio had good gains in February and indications are that March will also show fairly substantial increases over a year ago. The automotive, electrical appliance and cigarette fields are contributing most to the upturn with sharply increased campaigns. Makers of toilet goods and foods are also expanding their budgets. The foreign situation and the so-called uncertainty of a presidential year still bother advertisers but they have apparently come to the conclusion that a considerable volume of business can be done, if they go after it, agency executives said."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
RECEIVED
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A.M. 7 8 9 10 11 12 1 2 3 4 5 6 P.M.

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No. 1223

TELEVISION COURSE IN DOUBT AS HEARING NEARS

The Federal Communications Commission stated this week that the television hearing scheduled to begin Monday, April 8, at 10 A.M., will be open to all interested parties so that the subject may be explored from every angle.

There was an unusual lack of confidence in the speculation of radio industry observers as to the outcome of the inquiry ordered by the FCC because of the promotional activities of the Radio Corporation of America.

While there were indications that the FCC might be ready to come to an amicable understanding with the RCA and other television licensees and permit its former order to stand, persons close to the Commission said that Chairman James L. Fly and the other three members who voted for the probe are still determined to "crack down" on RCA.

Likewise there were contradictory rumors as to the attitude of President Roosevelt in the controversy. One report was that he was backing the FCC majority, while another held that he had told Chairman Fly to settle the matter without any further fuss because of the avalanche of press criticism of the Commission's action.

The FCC in a statement outlining the procedure of the television hearing, which will be held in Room A of the Interstate Commerce Building, said the purpose of the inquiry is two-fold, to determine:

"(1) whether research and experimentation and the achievement of higher standards for television transmission are being unduly retarded by recent promotional activities, requiring any additions, modifications, revisions, or amendments of the rules adopted February 29, 1940, governing television broadcast stations, or other action by the Commission; and

"(2) whether the effective date for the beginning of limited commercial operations set forth in Section 4.73 Subsection (b) of the Commission's Rules and Regulations should be changed from September 1, 1940, to some subsequent date.

"The Commission desires to hear all parties who at the January 15 hearing offered testimony that they were carrying on substantial research tending toward improvement in broadcasting of television", the FCC statement added. "The evidence of such parties should, in summary form, state the scope of their present television experimentation in terms of subject matter, staff, and time devoted to the same and should indicate what proportions of

such work are directed toward technical ends and toward commercial production. This information should be broken down with respect to the periods prior and subsequent to March 1, 1940. Any changes made or under consideration as a result of sales promotional activities should be stated.

"General conclusions should be offered as to the prospects for improving the performance of television broadcasting but descriptions of recent improvements are desired only if they have taken place since the date of the original hearings or are the final results of previous experimentation. Evidence will be received also as to the effect of the above matters on the prospects for higher transmission standards and as to whether there has been any retardation of progress. Parties are also requested to express their views, based upon the facts on the foregoing matters, as to the appropriate date for commencing limited commercialization.

"No invitation is extended to parties who did not appear at the hearing of January 15, 1940. Limited testimony may, however, be accepted from new parties upon a showing that they are engaged in substantial research and have evidence bearing upon the above matters which includes information not heretofore presented to the Commission and which relates to the present status of the technical phases of the science. At least 18 copies of printed or typewritten material to be submitted should be made available at the hearing, and appearances should be handed to the Docket Clerk at the hearing prior to its opening."

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NAB STARTS MUSIC LICENSING IN ASCAP FIGHT

With the broadcasters and music copyright owners deadlocked on their respective Maginot and Seigfried lines, Broadcast Music, Inc., this week began issuing licenses for the use of its music for public performances as neither the American Society of Authors, Composers, and Publishers nor the National Association of Broadcasters showed any signs of surrender.

The Columbia Broadcasting System announced that it saw no prospect of using the composer group's music after 1940 on the basis of present ASCAP demands and that it was so notifying its 114 affiliates. The National Broadcasting Company said that the Society's increasing fees were becoming "intolerably burdensome" and that it would take any action necessary in unison with the industry.

The reservoir of music for radio was started with the acceptance of six new popular songs by non-ASCAP writers. They will be heard for the first time on sustaining (unsponsored) programs, and sheet music will be published within "two or three days". To meet the demand for popular music, it was explained, opportunities to be heard will be given to new composers.

Since the Society now controls an "overwhelming portion" of the music available for use on the air, the radio group is endeavoring to arm itself by December 31, when the current agreement between the two factions expires, with such supplies of, or access to, music to build a catalogue capable of sustaining broadcasting.

So far $1,253,189 has been pledged by 284 radio stations in support of Broadcast Music, Inc.

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SOVIETS COPYING RADIO PATENTS, SAYS U. S. REPORT

The Union of Soviet Socialist Republics is "engaged in copying on an extensive scale machinery and other articles which have been invented and patented in other countries, samples or descriptions of which have been obtained by purchase or otherwise", the U. S. Bureau of Foreign and Domestic Commerce stated this week in a "World Radio Markets" report on the Soviet radio industry.

The document, issued by the Electrical Division, of which John H. Payne is Chief, also disclosed that despite claims that Russia has made considerable progress in television broadcasting no television receivers have been offered to the public.

"The Soviet press has claimed that considerable progress has been made by the Soviet radio industry since 1938", the report states, "in the technique and quality of television transmission, which is taking place at more or less regular intervals in Moscow and Leningrad."

Regarding the patent copying the governmental report states:

"Soviet industry is engaged in copying on an extensive scale machinery and other articles which have been invented and patented in other countries, samples or descriptions of which have been obtained by purchase or otherwise. This practise has been facilitated by the fact that it is not illegal in the Soviet Union to copy articles or processes not patented in that country, and that relatively few Soviet patents have been granted to persons or firms resident abroad. The Soviet Government is not a party to the Convention for the Protection of Industrial Property or to any of its revisions.

"Certain patents have been granted to foreign nationals, but the extent to which the holders have benefitted is not known. In a number of cases the patents were granted under contract whereby technical assistance would be given the Soviet industries in making use of the inventions.

"It would appear that two factors are primarily responsible for the relatively small number of Soviet patents granted to

persons and firms resident abroad: (a) the policies of the Soviet Government which result in a curtailment of the number of patents thus granted; (b) a reluctance on the part of foreign inventors to apply for Soviet patents since they feel that even if following protracted and expensive proceedings, they are successful in obtaining patents, they may be unable, in view of the peculiar economic structure of the Soviet Union, to derive any material benefit thereform.

"Foreign citizens resident abroad may make application for Soviet patents on inventions regardless of whether they have already obtained patents on such inventions in other countries. The question of whether the applications will be acted upon favorably depends upon the decision in each case of the inventions committee of the Soviet of Labor and Defense, which is given very wide discretion in the matter.

"Since practically all industry is carried on by organizations owned or controlled by the State and since there is little scope for private enterprise, a Soviet patent is in effect a guarantee only of the right to seek remuneration for the use of the invention.

"If an invention is of substantial importance to the State and no agreement is reached with the patent holder, the inventions committee may empower the State enterprise concerned to use the invention and may fix the amount of the remuneration to be paid the patent holder. The inventions committee may also issue a compulsory license for putting the invention to practical use and fix the amount of remuneration to be paid the patent holder in case the invention has not been utilized on an industrial scale within 3 years of the date of issuance of the patent. It is understood that the inventions committee has thus far not found it necessary to make use of its powers to fix amounts to be paid foreign holders of Soviet patents, nor to issue compulsory licenses on such patents.

"Any person or firm not resident in the Soviet Union who desires to obtain a Soviet patent must appoint an agent permanently resident to represent him during the proceedings. He must also be represented by such an agent during the life of the patent. The number of persons, or organizations, who may act as patent agents is strictly limited. It is understood that at the present time the agent of practically all foreign applicents is the All-Union Chamber of Commerce.

"The fees which a Soviet agent is entitled to charge as well as the fees for obtaining and holding the patents are prescribed in a published tariff. The fees payable to the patent agent and to the Soviet Government in connection with the making of an application for patent amount to at least 150 rubles. In the event that the proceedings should become involved or protracted the costs will be much greater. On an average of 2 to 6 years elapse between the date of filing of the application and the final decision by the inventions committee. A soviet patent is valid for 13 years, during which the holder is required to pay annual fees to the Government totalling 3,825 rubles and to the agent totalling 180 rubles. The holder of a patent must be prepared at any time during the life of the patent to defend his rights against other claimants. Fees from non-residents must be paid in foreign currency."

FLY SAYS FCC DOESN'T WISH TO HALT TELEVISION

James L. Fly, Chairman of the Federal Communications Commission, went on the air over NBC and MBS last Tuesday night to defend the recent decision of the Commission to reopen the television inquiry because of the promotional activities of the Radio Corporation of America.

Mr. Fly insisted that "we neither have nor desire any regulatory power over the sale of receivers or over advertising". The only "axe we have to grind", he said, is "the long range interest of the public".

The FCC Chairman opened his address with an explanation that during the last several weeks much has been said and more written about television and that he felt it encumbent upon him to make a report to the radio public on its status.

"In view of international conditions, American industry has the opportunity to lead the world in the development of the art of visual broadcast", he said. "Where television was advancing with youthful faltering steps in Europe, darkness has descended. Research has been stopped while all energies are devoted to war. Foreign television for the time being is paralyzed. It is singularly fortunate that in our own country neither war nor any other ruthless force can lay a heavy hand upon the youthful television industry and impede its normal progress.

"In the present state of radio, broadcasting of sound has progressed to the point where reliable service can be received in nearly every home. Receiving sets are within the means of almost every family. In the meanwhile, television has been gradually approaching the threshold of the American home.

"Most of us have witnessed radio grow from its laboratory stages. All of us will have the thrill of seeing television ripen into a reality for everybody to enjoy. While television is still in the experimental stage, it is moving out of the laboratory. We know that it is a practical thing, and that it has great potentialities for development into a permanent instrument of entertainment, of information, and of education. Our generation has been entrusted with the responsibility of carrying forward this advance. There may be differences of opinion as to what is best for television, but no one would favor other than its orderly and healty growth into an instrument of permanent public good."

Explaining why the FCC is concerned with the development of television, Chairman fly said:

"Congress has placed upon the Commission the duty to issue licenses for experimental operations; the duty to foster research and development, and to encourage the achievement of high standards, and, ultimately, to recognize those high standards - once they have been achieved by the industry's engineers.

"It is likewise under a clear mandate to regulate the kind of apparatus to be used in radiobroadcasting, including television, and to promulgate appropriate regulations. We should be derelict in our duty to the public if we should disregard this mandate of the Congress, or if we should permit any business interest to render it ineffective.

"We should also be avoiding our obligation if, in the regulation of the experimentation, and of the transmitting apparatus, and its methods of operation, we ignored the current state of the science. . . . . .

"There is at present in the television industry a very wholesome state of competition between rival manufacturers to develop their transmitting apparatus to a point where the quality of reception of their telecast pictures will be superior to those of any other manufacturer. It was the Commission's considered judgment and, in this judgment I might say there has been the universal concurrence of the engineering profession, that no one manufacturer of transmitting equipment has yet perfected his apparatus to a point where it should be accepted as the standard for universal application. On the contrary, no voice has dissented from the proposition that further research and experimentation is needed.

"The recently adopted rules and regulations of the Commission governing television broadcasting recognize this engineering fact. The Commission, therefore, deliberately refused to place its final approval upon any present type of transmitting equipment as the type which all must use. This attitude is merely a reflection of the engineering opinion in the television industry that there were still too many improvements in sight to warrant standardization at this time. It seems clear that the research should continue, and that order and caution should be the keynote to foster that improvement.

"What a great tragedy it would be if today some heedless power, for the sake of an immediate short-sighted interest, should obstruct television's progress and leave it dwarf-like in the shadow of its own great potentialities. But, you may readily ask, 'How can this happen to television; it didn't happen to motion pictures; it didn't happen with automobiles; it didn't happen with the advance of ordinary broadcasting itself.' Why, then, the special solicitude for the future advance of television?

"The answer is not readily obvious, but it is fundamental and, I think, thoroughly understandable.

"The fact is that television is not like ordinary broadcasting, not like the automobile, not like motion pictures. . . . .

"Now let me be perfectly plain in stating the position of the Federal Communications Commission on the question of public participation in the future development of television. Does the Commission wish to discourage members of the public from purchasing television receiving sets today?

"The answer is emphatically 'No'. As a matter of fact, it is only by having receiving sets in the homes of members of the public that experimentation in program techniques can be successfully carried on. But it is important that the general public know that when they buy television sets they are definitely partaking in a program of experimentation. If the public knows the facts about the limited number of stations which are now operating, the few hours of programs that are on the air, the experimental character of their operation, and finally that new standards of television transmission may convert the sets of today from instruments of enjoyment to articles of furniture of doubtful usefulness, then there can be no danger in public participation. . .

"Let me make it clear that we neither have nor desire any regulatory power over the sale of receivers or over advertising. But any action we take under our duty to license experimental operations and to encourage advances in radio, must of course be taken in the light of actualities. Our course can be influenced, for example, by the rare case where a licensee might engage in extravagant promotion of sales to people of modest incomes while failing to inform the public of the limited and experimental character of the service now available, and of the mobility of the science, where it appears that such activities threaten to make his system dominant among both transmitting stations and the public. For the result would be that his competitors - continuing their research - might find themselves with an improved system of broadcasting television which cannot be given to the public.

"By this sales activity alone the standards of the science might be locked against their improvements. Under such circumstances it is rather more likely that the competitors too would be crowded into production and sales promotion. This would make it even more probable that television would be shackled at its present state and future progress obstructed. These are the unanimous views the Commission has clearly and repeatedly expressed in recent months.

"The American people, I am certain, do not want to stop short of improvements which the industry's engineers assure us may be just over the horizon. The Commission must not lose sight of the long range interest of the public. We shall not. This, I might add, is the only axe we have to grind."

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NETWORKS' TIME SALES POINT TO NEW RECORDS

New records in the volume of radio advertising carried by the major networks are being set this Spring, according to reports on time sales made in March.

The National Broadcasting Company announced that it did the greatest business for a quarter, ending March 31, in its history. Both Columbia Broadcasting System and the Mutual Broadcasting System were far ahead of their 1939 sales.

Gross network revenue for the NBC networks for the first quarter of 1940 amounted to the greatest quarter business in the company's history, with the total figure of $12,841,636 showing an increase of 7.4 percent over the 1939 figure of $11,953,447.

Contributing to the record-breaking quarter was the biggest March volume of business ever reached at NBC with the total gross revenue figure of $4,304,344 showing an increase of 3.2 percent over the March, 1939, figure of $4,170,852.

Total gross network revenue on the NBC-Red Network for the first quarter of 1940 amounted to $10,061,816, an increase of 6.1 percent over the 1939 total of $9,484,411. The 1940 figure on the NBC-Blue Network was $2,779,820, an increase of 12.6 percent over the 1939 figure of $2,469,036.

The March, 1940, revenue from the NBC-Red Network amounted to $3,338,440, an increase of 1.2 percent over the 1939 figure of $3,297,992. The NBC-Blue Network figure for this year was $965,904, an increase of 10.7 percent over the March, 1939, figure of $872,860.

Gross billings for time on the Columbia Network - prior to deductions for agency commissions and time discounts to sponsors - totaled $3,513,170 during March, 1940. The March figure brings the three-month cumulative total for 1940 to $10,419,743.

March sales by CBS were 20.1 percent above last year, whereas the quarter's billings were up 28 percent.

Mutual Broadcasting System billings for March, 1940, totalled $390,813, representing an increase of 27.3 percent over a similar period in 1939 when billings reached $306,976. 1938's March billings were $232,877.

Mutual's cumulative billings for the first three months of 1940 totalled $1,046,191, a rise of 16.8 percent over 1939's first three months when the figure of $898,659 was attained. 1938's first three months totalled $756,021.

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Columbia Broadcasting System, Inc., this week reported for the 52 weeks ended December 30 last a net profit of $5,001,529, equal to $293 a share on the combined Class A and B stocks. For the 52 weeks ended December 31, 1938, the net profit was $3,541,741, or $2.07 a share on the combined Class A and B stocks.

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DID FLY HOLD GUN IN NBC'S FACE FOR BROADCAST?

The circumstances of the Tuesday night broadcast by Chairman James L. Fly over the NBC and MBS networks this week stirred up as lively a controversy as the argument over television itself.

Publication of a story by the New York Times that Commissioner Fly had demanded specific facilities of NBC with the result that the network had to cancel a commercial program at a cost of $10,000 started the debate.

Chairman Fly subsequently denied the charge and stated that he merely had offered the address to NBC after he had been invited to speak over MBS.

In a statement explaining the arrangements for the broadcast, the FCC Chairman disclosed that he had conferred with David Sarnoff, President of RCA, on the television dispute Sunday morning.

Said the New York Times, in part:

"An official of the Mutual Broadcasting System said that Mr. Fly had been invited to broadcast from the WOR studio. From that point the speech was 'fed' to the NBC network. Originally, it was explained, Mr. Fly was to have broadcast from the Tuesday luncheon of the Advertising Club, and WOR, because of commercial commitments, was unable to handle the broadcast but had arranged to broadcast a recording of the speech in the evening. When the noontime broadcast was canceled upon Mr. Fly's request, executives of WOR suggested that he go on the air in person in place of the scheduled recording. WOR had the time free and no commercial programs were sidetracked.

"According to a representative of NBC, who explained that were was no way of checking how many stations actually transmitted the talk, he said that he could not confirm or deny that Mr. Fly had requested the facilities. It was learned on good authority that Mr. Fly had asked for the radio time through the NBC office in Washington."

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Station WMCA, New York, last week applied for an application to operate an FM transmitter to the Federal Communications Commission. Permission to construct a high frequency broadcast station employing frequency modulation was asked.

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TRADE NOTES

The U. S. Bureau of Foreign and Domestic Commerce this week issued world radio market reports on the following: Japan, Colombia (regulations), Denmark, Ireland, Union of Soviet Republics, Bermuda and the Bahamas.

In response to the many requests, the daily schedule of W2XOR, WOR's frequency modulation outlet, was stepped up to 15 hours daily effective Thursday (April 4). W2XOR will relay Mutual programs at 9 A.M. and continue throughout the day until midnight, providing the longest service of any FM station in the entire New York area.

The Federal Trade Commission has ordered J. W. Marrow Manufacturing Company, 3037 North Clark Street, Chicago, manufacturer and distributor of cosmetics, to discontinue certain misleading representations made in magazine, radio and circular advertising.

John Thomas McManus, radio editor of Time for the last 18 months, has been appointed Radio Editor of P.M., the no-advertising 5-cent newspaper to be published soon in New York. P.M. will devote two to three pages to this subject.

G. H. Beasley, President of Utah Radio Products Company, reported this week at the annual meeting that shipments in the first quarter were $695,290, against $624,132 in the 1939 period. Fred R. Tuerk was elected a Director to replace M. M. Corpening.

Station WSJS, Winston Salem, N. C., will join the NBC networks on June 26, William S. Hedges, NBC Vice-President in Charge of Stations, has announced.

WSJS is operated by the Piedmont Publishing Company, of which Gordon Gray is President, on a frequency of 1310 kc., with a power of 250 watts, day and night. The station will be a member of the NBC Southeastern Group. It will be the 188th affiliate of NBC.

Stockholders of the Columbia Broadcasting System will be asked at their annual meeting in New York on April 17 to approve a five-year contract with William S. Paley, President, providing for a base salary of $40,000 annually plus 5 percent of the first $1,000,000 of consolidated net profits, 4 percent of the second million dollars, 3 percent of the third million, and 2 percent of all earnings in excess of $3,000,000, according to the New York Times business page. Had this contract been in effect in 1939, Mr. Paley would have received $203,370, the notice says.

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VALENTINE BANS RADIOS FOR TAXI DRIVERS

A police order silencing all New York City cab radios except for passengers threatened this week to eliminate for drivers a widely enjoyed way to pass the time between fares, according to the New York Times. It was estimated that 90 percent of the radio use is by the cabbies.

Commissioner Valentine ordered enforcement of the year-old ban on such use in connection with hack medallion renewals begun on April 1. Under the old ruling the police hack bureau granted owners six to eight weeks to wire radios through the taxi meter, so that the radios will play only while the meter is running.

The action was believed to have resulted from a plea made by the Broadway Association on February 19th. The Association asked removal of the radios for greater safety and less noise.

A canvas made later by the hack bureau showed owners of 8,000 of the city's 11,138 taxis favoring removal. Fleet owners desired attendant cost reductions, while individual owners largely sought to retain their radios. About 50 percent of the taxis have radios, it was estimated.

Commenting on the order, Maurice Hotchner, Executive Chairman of the United Taxicab Board of Trade, Inc., and former Chairman of the City Board of Taxi Control, said:

"The police have no more jurisdiction over the cab radios than over private car radios. These are accessories having nothing to do with safety equipment. Insurance company studies show that radios do not increase accidents."

A spokesman for three taxi fleets declared that radio-equipped cabs had the best drivers.

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GERMANY TRYING TO REVIVE RADIO-LUXEMBOURG, SAYS BBC

"Anybody who listened to Radio-Luxembourg before the war will have noticed that the station closed down on the outbreak", the BBC's "Radio Time" comments. "The reason was that it was operated by a French company, and the authorities of the Grand Duchy feared complications with Germany if it went on. Since then, we have heard, the Germans have been trying to put the station on the air; again by means of broadcasts from Frankfurt; they have approached the staff of the old station, eighty of whom lost their jobs when it closed, with the idea of putting on programs that listeners would think came from the original Radio-Luxembourg. According to our information, however, only one of the eighty has accepted their offers, so prospects of a convincing impersonation do not look too good."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

NATIONAL BROADCASTING CO., Inc.
LEGAL DEPARTMENT
RECEIVED
APR 10 1940
A M P M
7 8 9 10 11 12 1 2 3 4 5 6

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No. 1224

April 9, 1940

AMICABLE ADJUSTMENT OF TELEVISION ROW FORESEEN

An early and amicable adjustment of the current row over television was forecast this week by observers in the radio industry as the Federal Communications Commission opened hearings called because of the promotional activities of the Radio Corporation of America.

Attention was turned meanwhile on Capitol Hill, where Chairman Wheeler, of the Senate Interstate Commerce Committee, called a special meeting for Wednesday to consider the Lundeen resolution asking for a Senate investigation of the FCC action.

James L. Fly, Chairman of the FCC, and David Sarnoff, President of RCA, and other interested parties will be heard before the Committee decides whether or not to report the resolution, Senator Wheeler said.

Congress took increasing cognizance of the controversy as members inserted copies of the radio addresses of Senator Lundeen (Farmer-Labor), of Minnesota, and Chairman Fly, in the Congressional Record appendix.

Representative Eugene Cox (D.), of Georgia, member of the powerful House Rules Committee, came to the defense of the FCC on the House floor.

"An attack is being made upon the Federal Communications Commission on the ground that the Commission is retarding the development of television", he said. "The investigation I have made discloses the fact that the reason for the attack is that the Commission will not permit the Broadcasters' Trust to exploit the public through the sale of near-obsolete television sets. What we probably need more than anything else is an investigation of the Broadcasters' Trust. It is time they were stopped from monopolizing the air."

The FCC disclaimed any intention of trying to regulate the sale of television receivers as it opened its rehearing to determine whether RCA's promotional activities were "freezing" television development.

Chairman Fly, smarting under a barrage of criticism directed at the FCC since it cracked down on RCA, interrupted the testimony of Allen B. DuMont Monday afternoon to demand of RCA officials whether they considered the FCC had acted improperly or without jurisdiction.

When Frank W. Wozencraft, attorney for RCA, who was conducting the examination of DuMont, declined either to "affirm or deny" the statement of the FCC Chairman, Mr. Fly abruptly called upon Col. Manton Davis, RCA Vice President and General Counsel for a reply.

"Most certainly we do not challenge the jurisdiction of the Commission to fix standards for television transmission", Mr. Davis said, "or to make any investigation or collect any facts that might be helpful in that connection."

Chairman Fly, in a statement read at the opening of the hearing, said that the Commission would make "no effort to determine the legal propriety of the promotional activities of the industry" and "has no intention of adopting any rules as to the design or as to the marketing of receiving sets".

"It should be borne in mind that this is not a trial", he said.

With all indications pointing to the probability that the FCC would permit its former order spurring the development of television to stand, reports were current that President Roosevelt has suggested that the controversy be settled amicably and as promptly as possible. Radio industry observers predicted that the FCC's action may become a campaign issue.

Allen B. DuMont, President of the DuMont Laboratories, Passaic, N.J., was the only witness called on Monday. Examined and cross-examined, he pointed to flexibility of design in television receiving sets as the safe key to the future. He announced that he had developed a flexible receiver which would handle picture reception in any range from 400 to 800-line texture. By means of a switch, he explained, the operator could select, for example, 441-line or 605-line pictures.

The set was designed, he said, to operate automatically with any synchronization pulse now in use, so that it could pick up the telecasts of the DuMont transmitter at Passaic or the programs from Radio City through the Empire State Building transmitter of the NBC, which employs the standard pulse suggested by the Radio Manufacturers' Association.

To protect the public against obsolescence, Mr. DuMont reported, his company guaranteed to keep its present sets up-to-date until January, 1942. Contending that there is no such thing as final research in radio or television, he went on record for a flexible non-obsolescent system designed to meet any new conditions that might arise.

The testimony indicated the views that no revolutionary developments in television were on the immediate horizon and that since a decision must be made some time to "go ahead", the present seemed opportune.

Counsel for RCA, during cross-examination of DuMont, produced copies of a page newspaper advertisement by DuMont on April 28, 1939, announcing plans for televising the opening of the New York World's Fair. The advertisement, headed "Television Gives Its 'Coming Out Party', spoke of the "magic privilege of witnessing the Fair's dedication while comfortably seated before a television receiver.

DuMont said his company is second only to RCA in the manufacture of television receivers, but it has sold only 500 to 600 sets, chiefly in the New York area.

Under questioning by William J. Dempsey, FCC counsel, DuMont said that he thought program experimentation should not be engaged in extensively until after a uniformity is achieved on technical transmission.

DuMont told the Commission that transmission with 625 lines, as practiced by his company, is superior to that of RCA on 441 lines. The sale of a projected 25,000 or 30,000 television sets manufactured under RCA patents, he intimated, would tend to discourage further research.

The witness admitted, however, that television sets might be altered at little expense to meet a change in the number of transmission lines and frames.

Despite suggestions by RCA counsel that DuMont system pictures are "tinged with pink", DuMont insisted that they are "very close to black and white" images.

DuMont, who during the day issued a press statement upholding the FCC and complaining of a "misinformed or at least inadequately informed press" in the television controversy, occupied the stand throughout the first day.

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CRAVEN ASSAILS FCC MAJORITY ON TELEVISION ISSUE

Commissioner T.A.M. Craven, who cast the single vote recently against reopening the television inquiry, called the reasoning of his colleagues "absurd on its face" in a frank attack on the FCC order late last week.

A letter published in the Congressional Record on Saturday by Senator Lundeen (Farmer-Labor), of Minnesota, signed by Commander Craven was written in response to a request for his views from the Senator.

Commissioner Craven first cited the history of the order of the Federal Communications Commission placing television on a limited commercial basis as of September 1 and then of the Commission's decision to retract. After quoting excerpts from Chairman James L. Fly's addresses on the subject, Commissioner Craven said:

"It appears to me that these actions of the majority are inconsistent and confusing not only to the public but also to a new industry which needs encouragement from the government. The original February 29 report concerning the new rules, which were adopted by the unanimous action of the Commission, evidently encouraged the promotion of television and its participation by the public. The March 22 majority action of the Commission, suspending the original rules, discourages the sale of receivers. On the other hand, the broadcast address of the Chairman of the Commission on April 2 is consistent with the original order of the Commission adopted unanimously on February 29, 1940, and again encourages public participation through the purchase of receivers. The question now arises as to the logic of the action by the majority of the Commission in repudiating the adoption of the original order.

"At this point, let me make it clear that I do not disagree with the majority insofar as their actions are limited to keeping the public informed of the facts. Neither, in dissenting, am I concerned with the sale of receivers by the Radio Corporation of America. My full concern is the general public and the industry as a whole. I am in entire sympathy with the Commission in its desire that television research be continued, and that standardization be deferred until the art progresses further.

"Nevertheless, the principal reasons for my dissent from the majority action of March 22 may be summarized briefly as follows:

"(1) The majority concludes that recent promotional activities of a television-receiver manufacturer will effectively stop research and freeze technical development in television.

"In my opinion, such a contention is absurd on its face, and is not justified by either facts or experience. Nothing can stop scientific research and technical progress in a free democracy if incentive is not discouraged by Government. The Commission itself, by order of suspension, such as in the instant case, can create such confusion as to retard the development of television and discourage the incentive and initiative of private enterprise.

"In my opinion, the technique of television has advanced to the stage where an initial public trial is entirely justified. Such a trial would spur television onward, not only more rapidly, but also more effectively than any other method. I agree with the majority that technical improvements are required in television and I agree that the Commission should not approve standards at this time. However, no one can foretell accurately how these technical improvements will be secured and what public reaction will be. It is already obvious that some of the technical methods suggested by the Commission in its previous report may not be the best. This is not surprising, since the Commission has had no practical experience in technical research for television nor is it equipped to undertake such problems.

"There is no need, in the present state of development of television, for a Commission in Washington to substitute its judgment for that of the public. The public is the wisest judge of scientific achievement and will be most effective in securing the technical improvements it desires.

"In this case, the Commission would have been on more logical grounds had it merely made public the facts concerning obsolescence of television receivers, rather than taking action which prevents

the public from exercising its own judgment. The Commission will have performed its duty to the public, insofar as obsolescence of receivers is concerned, when it has informed the public of the facts.

"The present prices of television receivers automatically restrict their use to those who can afford replacements as technical progress requires. The burden of experiment falls on wealthy people, as it should, to pave the way for ultimate inexpensive television to all.

"(2) The action of the majority on March 22, coming less than a month after the encouragement given by the entire Commission to television-receiver sales, is inconsistent and creates confusion, resulting in a retardation of technical development as well as delays in creating a new industry with added employment.

"(3) There is no way in which to secure a public trial of television without selling receivers to the public. While I concede that receiver design is inextricably interwoven with television transmitter performance and is closely related to any transmission standards which may be approved by the Commission at some future date, this is no logical reason why the Commission should at this time add confusion to the development of television. The Commission can grant licenses for different types of transmission, and in so doing it can keep the public informed of the fact that it will grant licenses for any good television transmission and that ultimately it may change the standards. Those engaged in research need not be prevented from attempting to demonstrate to the public the latest television systems available in their laboratories. Everyone, including the Commission, should benefit from experience secured as a result of these early trials of television as a service to the public.

"(4) I am very much concerned in the instant case as to the significance of a recent decision of the Supreme Court of the United States, which states that the Communications Act 'does not assay to regulate the business of the licensee. The Commission is given no supervisory control of the programs, of business management, or of policy'."

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PRESIDENT OPPOSED TO CURB IN U.S. AGENCIES

President Roosevelt has interposed an implied objection to the pending Logan-Walter bill providing for broadened judicial review of the operation of certain quasi-judicial Government agencies such as the Federal Communications Commission.

In discussing the bill at a press conference, Mr. Roosevelt emphasized that he has not read the measure itself and is unaware of its present status. He made clear, however, that he feels there are certain objections to submitting administrative agencies of the Government to continuing restrictive action by the courts. In amplifying his position, he declared his feeling that if departments of the Government, including the quasi-judicial agencies, are required to transact all their business in accordance with the usual practices and procedures of the courts, it would result in giving the party with the most money opportunity to slow up procedure to an unconscionable degree.

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LA GUARDIA WINS SUPPORT OF FCC COMMITTEE

Recommendation that Station WNYC, New York City's municipal and non-commercial broadcast station, be permitted to pick up and rebroadcast international programs of Station WRUL, Boston, was made to the Federal Communications Commission last week by a special committee comprising Commissioners George Henry Payne, Acting Chairman in the absence of Norman S. Case, and T.A.M. Craven.

This general recommendation, which climaxed hearings on the subject, was unanimous. The Committee called attention to testimony by Mayor Fiorello H. LaGuardia of New York City, and Professors William Y. Elliott and Harry Rowe Mimno of Harvard University. Professor Elliott contended that such a grant would be in the interest of education in general, as it would make available to the public at large the great resources of our universities; that it would enable non-profit radio stations to render better public service; that rebroadcasting without the use of wires is feasible; that there would be no interference with existing communications, and no one's interest would be injured.

The Committee points out that rebroadcasting of international programs is not prohibited by international convention; that no use of an international frequency for primarily domestic purposes is involved; that the use of wires for feeder purposes places a serious expense on non-profit stations; that there are no legal bars to picking up and rebroadcasting such programs, and, further, "if there exist technical obstacles to this form of rebroadcasting, it is important to learn how these obstacles can be removed".

Accordingly, the Committee proposes amending rule 4.10(d) of the Commission to make the authorization possible. There is some difference of opinion as to the exact wording. Commissioner Payne recommends the following change:

> "4.10(d) Authority will not be granted to rebroadcast in the United States the programs of an international broadcast station located within the limits of the North American Continent, except upon a satisfactory showing that the rebroadcast programs in question are intended solely for non-profit purposes and are not commercially sponsored."

Commissioner Craven suggests this rewording of the rule:

> "4.10(d). Authority will not be granted to rebroadcast in the United States the program of an international broadcast station located within the continental limits of the United States, except upon a satisfactory showing in the following respects:

"(1) that such rebroadcasting will not detract from the primary function of an international broadcast station, the programs of which are being rebroadcast; and

"(2) that the technical quality of the rebroadcasting will be reasonably free from distortion and noise, as well as reasonably free from the effects of fading. The Commission will afford to applicants a reasonable opportunity to secure facts concerning the proposed technical performance."

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SHIP, COASTAL AND MARINE RELAY SERVICES RULES ALTERED

The Federal Communications Commission has modified certain rules governing ship, coastal, and marine relay services, effective immediately, in an effort to improve operating procedure, provide for the more effective use of assigned frequencies, and minimize interference between stations in the short distance ship to shore radiotelephone service.

The requirement that call letters be announced by ship telephone and coastal harbor stations has been eliminated. The exchange of operating signals, in addition to calling and answering, is now permitted on the safety frequency 2182 kilocycles. When operating on frequencies in the band 2000 to 3000 kilocycles, ship telephone stations on the Great Lakes must normally call shore stations by transmitting on 2182 kilocycles; likewise coastal harbor stations must normally call ships on 2182 kilocycles, and thereafter direct the ship stations when to change to a "working" frequency in this band for the exchange of message traffic.

The frequency 2572 kilocycles which was formerly available on the Great Lakes for the transmission of marine broadcasts is no longer available to commercial stations for this purpose, since it was not used by these stations and future use would undoubtedly create interference to Canadian stations using the frequency 2582 kilocycles. Coastal harbor stations in the Great Lakes area are now required to call ship stations (on frequencies in the band 2100 to 2600 kilocycles) by transmitting the type of signal necessary to actuate the receiving equipment known to be in use in the particular ship station.

Existing stations are already equipped to comply with these requirements of the Commission, which involve only changes in operating procedure designed to increase the effectiveness of the service.

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NEW INDUSTRY THROTTLED BY FCC, SAYS LUNDEEN

Taking to the air over the same networks used earlier by Chairman James L. Fly, of the Federal Communications Commission, Senator Lundeen (Farmer-Labor), of Minnesota, Saturday night assailed the Commission for "bureaucratic seizure of power" and accused it of "throttling" a new industry by reopening the television inquiry.

"Having had a hand in passing the law under which the Federal Communications Commission operates, I knew of no authority Congress had given the Commission to regulate, control, or supervise the marketing of radio or television receiving sets", he said. "On the contrary, authority to cope with misleading advertising rests in the Federal Trade Commission. In fact, just a week earlier the Supreme Court of the United States handed down a decision in which the Court stated that the Communications Act does not essay to regulate the business of the licensee.

"A new industry is being throttled by a Government bureau exercising power never granted by Congress."

The Minnesota Senator recalled that Chairman James L. Fly of the Commission had explained that "it is important that the general public know that when they buy television sets they are definitely partaking in a program of experimentation", the Senator added.

"All I can say to that is that if the Chairman had issued a statement along similar lines instead of having the Commission revoke its order of February 29, there would have been no such apprehension as has now been created."

"My studied opinion is that the Federal Communications Commission was in error when it rescinded its permission for limited commercial television", he continued. "Accordingly, I believe the best interest of television development calls for abandoning the new and unnecessary hearings which are scheduled to start on Monday and a return to the status quo of before its unfortunate action of March 22. I believe the FCC should stay within the authority granted it by Congress and defined so recently by the United States Supreme Court. I believe it and every other bureau or Government agency should use common sense and encourage, not block, the development of television or any other industrial activity that will put unemployed men and women back on private pay rolls and speed up the return of a prosperous United States."

Senator Lundeen's address was published in the Congressional Record appendix Monday by Senator Frazier (R.), of North Dakota, while Chairman Fly's address on April 2 was inserted by Senator Hill (D.), of Alabama.

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PUBLISHERS' COUNSEL RAPS FCC TELEVISION PROBE

Newspaper publishers, who have attacked the decision of the Federal Communications Commission for reopening the television inquiry, lent further support to the Radio Corporation of America last week when Elisha Hanson, General Counsel of the American Newspaper Publishers' Association, assailed the FCC action in an address on Federal curbs on advertising.

Speaking in New York, Mr. Hanson said:

"The effort to regulate, control, censor and restrict advertising is but one phase of the seemingly prevalent philosophy that an all-wise and benevolent government should regulate all human activity. In the development of this philosophy we are being regulated to death."

He referred specifically to the recent ruling of the Federal Communications Commission that R.C.A. should not "offer television sets for sale at this time because present-day sets may become obsolete within two years or so."

"What", he asked, "would we have today if bureaucracy could have stepped in 20 years ago and prohibited broadcasting until it had been perfected; prohibited the sale of crystal receiving sets because in a year or so the battery receiving set would be proved better; then have restricted the advertisement of battery sets because of the possible development of electrical receiving sets? What would have happened to our great automobile industry if in its early or middle stages such a restraining hand had been laid upon it?

"I do not contend that the government should not exercise its power to punish those guilty of unfair and deceptive acts in commerce. But I do deny that any government agency can be vested with the power to restrict the dissemination of information, whether in the nature of news, editorial comment or advertising, by resorting to the process of injunction."

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POSTAL TELEGRAPH CO. (PA.) VIOLATES COMMUNICATIONS ACT

In prosecution instituted upon request of the Federal Communications Commission, Postal Telegraph-Cable Company (Pennsylvania) was found guilty in the District Court of the United States for the Eastern District of Pennsylvania at Philadelphia, on March 3, 1940, of violating the Communications Act, the FCC announced this week.

The prosecution and conviction was the outcome of an investigation conducted by the Commission of the circumstances in connection with the settlement of a traffic damage claim against the company filed by John C. Moritz & Bros. The Telegraph Company had settled the claim in the amount of $540, which is $40 in

excess of the limitation of liability stipulated in the company's tariff schedules, and instead of paying the amount of the settlement in cash the company settled in communication service.

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TRADE NOTES

C. B. Wikoff has been appointed Treasurer of the Columbia Recording Corporation. His headquarters will be at the Columbia Recording Plant in Bridgeport, Conn. Mr. Wikoff went to his new post with many years of experience in financial and allied fields. Previous to his Columbia Record affiliation, he was supervisor at Price, Waterhouse & Co. for nearly two decades, handling such accounts as Columbia Pictures Corporation and the Columbia Broadcasting System.

Replying to a letter from an anonymous managing editor printed in the Bulletin of the American Newspaper Publishers' Association March 14 criticizing Walter Winchell, Hearst columnist, for "the repetition in his Monday column and sometimes more often during the week of the material he uses on the air in a commercially sponsored program on Sunday night", Mr. Winchell stated April 3, "I have never put the air stuff ahead of my newspaper column, which always comes first."

An extensive newspaper campaign has been planned by the Manhattan Soap Company to supplement the twice-weekly NBC broadcasts by Mrs. Franklin D. Roosevelt in the interests of Sweetheart Toilet Soap. According to M. J. Kleinfield, radio director of the Franklin Bruck agency, which handles the Manhattan Soap Company account, newspaper advertisements will be placed in every city in which the programs are broadcast. Plans also are being made, he said, to advertise in cities within the primary service area of the individual stations.

David Sarnoff, who as Chairman of the Radio Division of the Metropolitan Opera Campaign has led a drive for funds realizing to date nearly one-third the $1,000,000 sought by the Metropolitan, will bring the campaign to a close Saturday, April 13, in a talk over the NBC-Blue Network.

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ZENITH DOLLAR DIVIDEND VOTED

Zenith Radio Corporation reports a consolidated operating profit for the first nine months ended January 31, 1940, of its current fiscal year, amounting to $598,852 after depreciation, excise taxes and liberal reserves but before Federal Income Taxes.

The production difficulties experienced during the humid Summer months delayed the introduction of the company's regular line of receivers until mid-September, according to E. F. McDonald, Jr., President. In order to maintain the company's position in the industry, it was necessary to produce and ship in the months of October, November and December, the largest number of receivers ever produced and shipped during this period in the company's history.

Due to the excessive amount of overtime and other expenses required to produce such a large volume in so short a period, overhead and costs were necessarily increased, thereby resulting in a lower-than-normal profit, Commander McDonald added.

The Directors, at a meeting last week, voted a dividend of $1.00 per share, payable April 25, 1940, to stockholders of record April 15, 1940.

Zenith will introduce its new 1940-41 line of receivers containing new and novel developments the latter part of this month.

The company's new combination battery electric portable receiver incorporating the removable Wavemagnet, an exclusive Zenith feature, was announced to its distributors early in March. Orders received from distributors for April and May delivery greatly exceeded the expectations of the management.

The company commenced broadcasting from its Frequency Modulation station, using the new Armstrong System under which it is licensed, on February 1st and is now transmitting daily programs of approximately sixteen and one-half hours duration, from its permanent location in the tower of the Chicago Towers Club on North Michigan Avenue.

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Advocating the theme "City Government is a Business -- Make It Your Business", 15 original radio dramatizations on "Municipal Government" are now available free to local school and civic groups actively interested in better government through educational radio, U. S. Commissioner of Education John W. Studebaker announced this week.

The various scripts of the Municipal Government series, together with nearly 500 other specially-selected scripts on a variety of subjects, are listed in the Fourth Edition Catalog, latest publication of the Educational Radio Script Exchange.

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PUBLIC POWER ELECTS MAYOR

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2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1225

F.D.R. BACKS UP FCC AS HEARING DRAWS TO CLOSE

President Roosevelt at his Friday press conference came to the defense of the Federal Communications Commission in the television controversy as the FCC hearing drew to a close.

While the television industry stuck to its optimistic belief that it will be given another "green light" to forge ahead with limited commercialization, the President's comments gave new encouragement to the Commission and rivals of the Radio Corporation of America.

The President repeated many of the comments of the FCC Chairman relative to a fear that the new industry might be dominated by a monopoly. He expressed the opinion that Chairman James L. Fly and the FCC are doing the right thing. The President's comments started when he was asked what he and Chairman Fly had talked about on Thursday.

Mr. Roosevelt remarked that some persons had predicted a great future for the television industry and that it would put many men to work. He agreed that it would increase employment but would not provide the amount of work that the automobile and radio industry have done.

For the time being, he said, it would just mean another set in the home. Much more important, he added, is the question of monopoly. That gets into the technical question, he said. The Government doesn't want to get into the position of giving one company control of one type of sending and receiving equipment.

In radio, he pointed out, there is competition - national, regional, and local - on the transmission end, but on the receiving end any home in the country can pick up any broadcast. The development of television, the President added, should follow along the same lines so that a television set owner could have a choice of stations.

The President brought laughs when he suggested that anyone should be able to tune in either a prize fight or a town hall meeting and that there isn't much difference anyway.

Eventually this country may be able to receive foreign television, he said, but all the FCC is doing now is working along the lines of orderly development and trying to prevent any one organization from obtaining control of all sending stations. Every receiver, he said, should be able to tune in any television band. This Spring and Summer, the President added, should see the production of such sets.

A number of radio and television companies don't want to see a monopoly created in the new industry, Mr. Roosevelt concluded. He cited the name of one manufacturer off the record and said that it was the largest radio receiver maker and that it didn't want to put out a receiver that could not tune in all television transmissions.

When the industry agrees to accept this point of view, the President indicated, the television industry will be put on a sound basis.

A general belief that the television industry will be allowed to forge ahead with limited commercial programs was held by observers in the radio trade as the Federal Communications Commission drew to a close today (Friday).

Chairman Wheeler, of the Senate Interstate Commerce Committee, indicated similar optimism as he concluded a brief hearing on the Lundeen resolution and announced that the inquiry will be dropped.

Chairman Fly told newspaper men on leaving the White House Thursday that prospects were bright for an early adjustment of the differences between the Commission and the television industry. However, a short while later, disturbed by the interpretation placed on his remarks by some of the press associations, Mr. Fly issued a statement warning against premature predictions of what the FCC would do.

The White House story, following Chairman Fly's conference with President Roosevelt, reputedly boosted the stock of the Radio Corporation one and a half points before the "damper" statement was issued.

"As soon as the industry is ready to go ahead, the Committee is", Chairman Fly said on leaving the White House. He added:

"In a few months, I am hopeful that we will have a flock of receivers capable of receiving all types of transmissions. I think the industry will be capable of doing that job."

In reply to a question as to whether he meant by this to imply that when such receivers were ready, the present restrictions imposed by the Commission would be lifted, Mr. Fly replied, "Why not?"

But later, at the FCC hearing at which he presided, Chairman Fly warned that no statement made by him should be construed as indicating what action the Commission would take.

"The hearing will proceed to a conclusion and a decision will be rendered in due course", he added. "It is hazardous to conjecture now when proper standardization may be achieved and commercial operations undertaken."

Meanwhile, there were speculations in some quarters as to whether or not the Commission would postpone reaching a decision in the television case until after Congress adjourns.

It was recalled that Chairman Fly had suggested to the Senate Interstate Commerce Committee that it drop its investigation until after the FCC concludes its inquiry. A complete report would then be made to the Committee, he added.

A subpena for the stenographic records of the Radio Manufacturers' Association's Board meeting on February 8th was issued by the FCC after Bond Geddes, Executive Vice President, said he could not furnish them without permission of the Directors. The meeting was addressed by David Sarnoff, President of the Radio Corporation of America.

The FCC also issued a subpena calling for all RMA correspondence relating to television that was written between the two Commission hearings on television, the first of which was in January.

Previously, Chairman Fly had instructed Mr. Geddes to furnish all records relative to a meeting of the RMA Television Subcommittee on February 29, the date on which the original FCC order authorizing limited commercialization of television was issued.

The FCC Chairman halted the testimony of a Philco witness to inquire as to the meeting and the plans for another session last Thursday.

Mr. Geddes explained subsequently that there had been no secrecy about the Committee meeting and pointed out that its recommendations are subject to approval by the full Engineering Committee and the Board of Directors.

Among the witnesses heard Thursday were Alfred H. Morton, Vice President of the National Broadcasting Company in Charge of Television; Elmer W. Engstrom, Director of Television Research for RCA at Camden; and Edward M. Martin, attorney for the Farnsworth Radio & Television Corp.

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STATISTICAL SURVEY OF RADIO ISSUED BY U.S.

The sixth annual statistical number of the "Electrical and Radio World Trade News" was issued this week by the Electrical Division of the Bureau of Foreign and Domestic Commerce.

Radio statistics included covered all figures for 1939, sales in the United States 1922-39, "radio business at a glance", urban and rural radio census, a review of national network advertising, and foreign radio statistics.

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CAPITOL INQUIRY STEALS TELEVISION SPOTLIGHT

The Senate Interstate Commerce Committee on Wednesday and Thursday mornings stole the show from the Federal Communications Commission when it conducted an informal hearing on the Lundeen resolution before a crowd of radio representatives that overflowed the Committee room.

David Sarnoff, President of the Radio Corporation of America, was the star witness Wednesday afternoon. He followed James L. Fly, Chairman of the FCC, who occupied the morning session in defending the Commission's action.

Mr. Sarnoff charged the FCC with retarding a potential billion dollar industry that ultimately would employ more than 500,000 persons and complained that the RCA had been treated unfairly and "publicly indicted" by the Commission.

One of the highlights of Mr. Fly's testimony was his admission that the FCC had made a mistake in issuing the February 29 order, which authorized limited commercialization of television beginning September 1. Mr. Fly said that the RCA ads were "not beyond the bounds of reason" in an interpretation of the order.

The FCC Chairman stood squarely by his guns throughout the day and showed little sign of relenting in his campaign to put a stop to RCA's promotional activities.

Sharp exchanges between Senator Reed (R.), of Kansas, and Senator Lundeen (Farmer-Labor), of Minnesota, author of the resolution, enlivened the first day's hearing.

Chairman Wheeler, while showing no inclination to recommend a Senate inquiry along the lines proposed by Senator Lundeen, suggested that the television industry's leaders get together and settle the present squabble so that the industry might go ahead at once.

Expressing the opinion that the introduction of commercial television at this time is "both timely and important", Mr. Sarnoff said the RCA is ready to launch a relay network, to market home television receivers with pictures as large as 18 x 24 inches, and to make available theater television receiving equipment which will project pictures on full size motion picture screens.

He said the television industry might be expected to employ between 500,000 and 600,000 persons on the basis of the broadcast industry's investment and employment.

While Mr. Sarnoff assailed the FCC order before the Committee, Senator W. Warren Barbour (Re.) of New Jersey, introduced a resolution specifically denying the FCC authority to control or interfere with experimentation, research, use, manufacture, or sale of television sending or receiving sets.

In the House, Representative Connery (D.), of Massachusetts, reintroduced his resolution for an investigation of the FCC.

Chairman Fly defended the Commission's recent order reopening the television inquiry on the ground that RCA's commercial promotion of receivers was threatening to "freeze" development and load the public with sets that may soon become obsolete.

Chairman Wheeler sought several times to persuade Mr. Sarnoff to agree to alter the design of the RCA television receivers so that they could receive any current system of visual broadcasting. The Senator expressed the opinion that this would remove the cause of the dispute.

Mr. Sarnoff insisted the additional expense of $20 to $40, which would be represented in an increase in the sales price, is not warranted, as competing systems do not have television stations in operation except in a very limited experimental capacity.

Chairman Fly retorted that the FCC shortly would grant transmission licenses to sponsors of television transmission different from that used by RCA; Allen B. DuMont, of Passaic, N.J., chief rival of RCA in the current fight, has an application for a permit to erect a station in New York.

At the conclusion of his testimony, Mr. Sarnoff engaged in a sharp exchange with William A. Roberts, attorney for DuMont, who challenged some of the RCA President's statements. When Mr. Sarnoff retorted that DuMont was owned by Paramount Pictures, Mr. Roberts denied it but admitted the motion picture company had backed DuMont financially.

Chairman Wheeler and other members raised the question as to why Great Britain had enjoyed television for two years prior to the outbreak of the war.

Mr. Sarnoff replied that England's progress was due to the fact that a Government commission investigated all phases of the art and then fixed transmission standards for a specified period.

Mr. Sarnoff termed ridiculous the contention of FCC that the sale of a projected 25,000 television sets in the New York area would "freeze" transmission standards and halt further research. He pointed out that experimentation in frequency modulation is going ahead although none of the 40,000,000 standard radio receivers, will be able to tune in FM stations.

He hotly denied that RCA was trying to obtain a monopoly of the infant industry when Senator Wheeler said such charges were being made against the corporation.

At one stage of the hearing Senator Lundeen exclaimed, "Do you want to regiment this industry?" "If it is the duty of the Federal Communications Commission to regiment the industry - yes I am going to regiment it", replied Chairman Fly.

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CRAVEN REPLIES TO CRITICISM OF LETTER TO LUNDEEN

Commdr. T.A.M. Craven, the lone dissenter on the Federal Communications Commission on the decision to reopen the television inquiry, on Thursday defended his conduct in writing a letter to Senator Lundeen (Farmer-Labor), of Minnesota, regarding his views of the action after members of the Committee had criticized him and then invited him to testify.

Commissioner Craven declined the invitation to appear before the Committee on Friday on the ground that he was busy with the FCC hearing, but he insisted that his actions had been regular, both as to protests voiced during the Commission meeting and as to the letter in which he criticized his colleagues.

The criticism of Commissioner Craven occurred at the close of the Thursday session of the Senate Committee when Senator Lundeen asked that he be heard.

Senator Reed (R.), of Kansas, said he had no desire to hear the Commissioner because he had criticized the FCC action in the letter to Senator Lundeen.

"No member of the Interstate Commerce Commission would think of doing such a thing", remarked Chairman Wheeler.

Chairman Fly chimed in that Commander Craven had not filed a dissenting opinion with the Commission and suggested to the Committee that his testimony was not necessary.

Commissioner Craven in a letter to Senator Wheeler explained why he was unable to appear before the Committee but expressed the hope that the meeting could be delayed until a time when he could testify.

"There are two matters which I understand were advanced in yesterday's hearings of your Committee, which should be clarified", Commander Craven added.

"The first is that I responded to an official written request from a United States Senator to give my reasons for my dissent in the disputed television order of the Commission. Being in public office and a Commissioner in an independent agency authorized by Congress, I feel that not only courtesy to the legislative body but also duty compels me to reply to requests from Senators on matters such as in the instant case. It should be made clear that I did not voluntarily write to any Senator concerning matters under dispute in the Commission.

"The second clarification of the record pertains to the statement of Chairman Fly of this Commission to the effect that I had not filed a dissenting opinion with the Commission in this matter. It is not usual in such matters as this, which is not a judicial proceeding, for members of this Commission to file written dissenting opinions. However, as the enclosed minutes

of the Commission will show, I voted 'no' when the decision to issue Order No. 65 was reached. Furthermore, I gave my reasons orally to the Commission at that time, and suggested that the Commission postpone action until sufficient time had elapsed for second thoughts. Furthermore, I urged the Chairman personally not to take the action which the majority has taken. I also suggested to the Chairman that if the majority was insistent upon taking some action, it modify the original action taken.

"I hope that you will either clarify the record in the foregoing respects, or permit me at some later date to testify under oath with respect to the matter."

In a "P.S." Commander Craven concluded:

"I wish to call particular attention to the fact that as late as 10:30 A.M., March 23, the day the order was published, I pleaded with the Chairman of this Commission to either delay or modify the action taken."

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RCA REFUNDS TO TELEVISION SET BUYERS DISCLOSED

A disclosure that the Radio Corporation of America has refunded approximately $175,000 to buyers of its television receivers since reducing prices recently was made this week by David Sarnoff, President, in his testimony before the Senate Interstate Commerce Committee.

The average refund has been $205 a set, Mr. Sarnoff said, on sets sold before the price reduction.

In a prepared statement read to the Committee, Mr. Sarnoff outlined the activities of RCA and its plans for the future.

"The Board of Directors and the Management of the Radio Corporation of America are of the considered opinion", he said, "that television offers the opportunity for the creation of a new industry, new employment and new services; that its introduction now is not only timely but important; and that substantial progress in the art can come only after its introduction upon a commercial basis.

"The Radio Corporation of America believes that in an art such as television there can be no shorter cut from promise to performance than through the process of laboratory development, field test, and service to the public.

"If the industry is left free to determine, through experimentation and test, the competitive advantages of every system, the practical standards prevailing in any given period will represent the best that the art has attained.

"The Radio Corporation has never proposed nor urged the freezing of standards. Nor is such action necessary to create the television industry and the new public services that would flow from it.

"It is a fallacy to assume that the commercial introduction of television, on any standard now conceivable, would affect the continuance of research in this art, or prevent the adoption of higher standards of service and performance. . . . . .

"And while on the subject of research let me refer to the importance of increasing not merely the size of the television picture, but of the television audience -- in other words, to give more people in more communities the opportunity to enjoy television, and to participate in its activities. I submit that a greater public interest will be served at this time by research toward the methods that would extend television service to as many homes as possible, rather than in improvements that would merely add to the size or the definition of the picture now enjoyed by the few.

"To meet this need the Radio Corporation of America has developed a radio relay system designed to extend the service of television to the public on a nationwide basis.

"The Radio Corporation of America is ready, if commercial television is authorized, to ask for a license from the Federal Communications Commission for the construction of such a radio relay system, using higher frequencies than have ever before been utilized. Such facilities could serve broadcasters with programs moving simultaneously in both directions.

"Home television receivers giving pictures as large as 18 x 24 inches are now being developed in our laboratories. We shall also soon make available theater television receiving equipment which will project pictures upon full size motion picture screens. . . . .

"The Radio Corporation of America welcomes the keen competition promised in the industry in the development of the television art. The promise of this competition is increased, not lessend, by the present disagreement among a few engineers as to standards of transmission and reception, and the methods by which the highest standards may best be achieved.

"The phenomenal growth of radio in our country is due largely to the fact that the industry has had available, through licensing, the many inventions developed by those who spent millions of dollars to bring the art out of the laboratory and into commercial use. About 50 manufacturers are licensed by the Radio Corporation under its own patents and also under those of other domestic and foreign companies from which the Radio Corporation has acquired the right to grant such licenses.

"It is the firm belief of the Radio Corporation of America that a truly new industry and new service and new employment could be created on a scale that would affect our whole economy, through the development of television that would give our own country leadership in this new art. I believe that, given the opportunity American ingenuity and enterprise can, in a reasonable time, develop a new industry in television amounting to a billion dollars annually."

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PORTABLE RADIO CREATES BOMB MYSTERY SCARE

A furore was caused in bomb-conscious Chicago last week when Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, of Chicago, sent distributors portable radios in a carton with the set turned on and tuned to the station in the city in which the distributor was located.

When the first set arrived in the Chicago express office the thunder storms that were in progress made it crack and rumble. The Chief of the Express Police was called immediately and he unhesitantly identified it as a bomb or infernal machine. A call was put in for the Bomb Squad of the Police Department and it took them twenty-five minutes to get there. During these twenty-five minutes all work stopped in the express station. The employees and others in fear rushed out of the building and the crowd gathered on the outside of the building waiting momentarily for the infernal machine to explode. The crowd was so think, that the Bomb Squad when they arrived had a job getting into the building itself.

The police dropped the package in water. It sank. Everybody waited. Five minutes went by, and the onlookers began to move cautiously forward. A Police Lieutenant removed the package from the water, and the onlookers moved cautiously backwards. He put it on a nearby truck and began tugging carefully at the wrappings. His audience held its breath . . . He removed the paper, uncovered the object . . .

"A radio!" everyone exclaimed.

The police tried to look nonchalant. They telephoned Zenith, who said they were sorry the radio had been left on and the batteries had hummed and sounded like a bomb.

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TRADE NOTES

The NBC press service this week set a new high in alertness when it announced under date of April 11 that a radio address by Ralph Starr Butler, Vice President of General Foods Corporation, would be repeated over NBC on "Monday, April 2". Presumably it meant April 22.

The Federal Communications Commission has extended for one week from April 15, the time for filing briefs in connection with the hearing on Frequency Modulation.

A 20-page promotional book for the NBC-Red Network, with nine illustrations by the famous cartoonist, Peter Arno, is being distributed by the NBC Sales Promotion Department. Entitled "It's Not Done With Mirrors", the book continues the title's theme with sub-heads reading, consecutively, "It's based on stations"; "It's done with programs"; "It's confirmed by listeners"; "It's proved by advertisers".

George Mateyo has been named assistant to Dr. Frank Stanton, Director of Research of the Columbia Broadcasting System. Mr. Mateyo comes to CBS after four years at Station WOR, where he headed the Research Division of the Sales Promotion Department. Prior to that he was in the media division of the Cleveland office of McCann-Erickson, Inc., which he joined in 1935, following his graduation from the Harvard Business School. Mr. Mateyo has been an instructor in the Department of Marketing of New York University since 1938.

An audience of 200 advertising men and their families watched with extreme interest a television demonstration staged by Esso Marketers on Wednesday, April 10, at the Advertising Club of New York. The affair was called a "Television Family Party". Arranged by Esso as part of the month-long celebration of the 35th anniversary of the Advertising Club, the demonstration followed a dinner, at which E. P. H. James, Advertising Manager of the National Broadcasting Company, was the speaker.

Extremely favorable reaction was reported among the audience who watched the demonstration on a dozen television receivers, installed by RCA at various vantage points around the room. Speaking "not as an engineer", Mr. James explained the workings of television in non-technical language.

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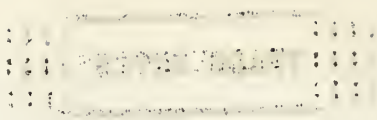

WNYC UPHELD IN RELIGIOUS BROADCASTS

The New York Court of Appeals this week unanimously upheld the right of New York City's municipal radio station, WNYC, to make broadcasts from communion breakfasts held by the Holy Name and St. George Societies. It sustained decisions of lower courts in refusing to grant to Joseph Lewis of New York an injunction to make Mayor LaGuardia and other officials of the city cease using WNYC's facilities for such broadcasts.

Mr. Lewis' attorney contended before the court that habitual use of the broadcasting station at public expense by private persons and societies was a violation of the State Constitution, Article VIII, Section 1.

Counsel for the City of New York argued that Station WNYC, in permitting the broadcasts, made no distinctions based on color, race or creed; that the broadcasts were authorized by statute, and that there was no violation of the constitutional provision against gifts of public money.

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VALUE OF FREQUENCY MODULATION ANALYZED

An indication of the value of frequency modulation and high fidelity reception to the consumer was recently disclosed by a study conducted under the direction of Samuel E. Gill, market research analyst.

Working on the assumption that if the consumers were interested and conscious of the value of high fidelity, they would attempt to obtain the highest fidelity reception possible from existing receivers, Mr. Gill interviewed several hundred radio equipped families in areas with a low noise level, questioning them in regard to the use of the tone control on their present radio. The position of the tone control was noted at the time of the call and in addition questions were asked relative to the use of the tone control when listening to speech and when listening to music.

As a result of this study Mr. Gill explained that a very small percentage of radio listeners use the highest fidelity obtainable through their existing radio equipment for only a small percentage keep their tone control toward the treble, i.e., at the point of highest fidelity reception.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

RECEIVED APR 17 1940

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No. 1226

April 16, 1940

TELEVISION DECISION AWAITS BRIEF; FLY OFF TO TEXAS

With the Federal Communications Commission awaiting the filing of briefs before reaching a decision in the television inquiry, James L. Fly, the Chairman, left this week for Texas on a trip which combined business and pleasure. Chairman Fly will be away for two weeks, or until April 29th, and the deadline for filing briefs in the television controversy is May 3.

Before leaving Washington, Mr. Fly carried out his promise made before the Senate Interstate Commerce Committee and at the FCC hearing that Allen B. DuMont Laboratories, of Passaic, N.J., would be granted a license to construct and operate a television station in New York City. DuMont's license has been pending before the FCC about a year. The new station will transmit on 625 lines and thus put to a test DuMont's contention that his system of video transmission is superior to the RCA-RMA standard of 441 lines.

As Manton Davis, General Counsel of RCA, told the Commission that his company would make its television receiving sets capable of receiving any video signals which the FCC authorized, it is expected that RCA receivers will be altered accordingly.

This move apparently will carry out the suggestion of Senator Burton K. Wheeler, Chairman of the Senate Interstate Commerce Committee, to David Sarnoff, President of RCA, that RCA alter its receivers and give the public an opportunity to decide whether the RCA or the DuMont system of transmission is superior.

Senator Wheeler last Friday placed in the Congressional Record the text of Colonel Davis' statement with regard to RCA's decision.

While observers predicted that complete commercial television will be authorized once the industry reaches an agreement as to standards, the general reaction to developments was that the motion picture industry, particularly Paramount Pictures, had won the first round with the Radio Corporation of America.

There was even speculation as to whether Jimmy Roosevelt, now a motion picture producer, had had a hand in the turn of events.

Paramount is the financial backer of DuMont, but other film producers are said to be interested in the RCA rival as they are anticipating the day when television will serve the theatre as a competitor of home reception.

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HOUSE STARTS DEBATE ON BILL TO CURB AGENCIES

The House this week was debating the Walter-Logan Bill to curb the powers of Independent Federal Agencies, including the Federal Communications Commission. The measure is opposed by President Roosevelt, but it has substantial bi-partisan support in Congress.

While the legislation is not directed specifically at the FCC, but rather is intended to curb the powers of several New Deal agencies, it would have a restrictive effect on the Commission. It has the general backing of the nation's lawyers.

The general purpose of the bill is to give the courts broader reviewing authority over the actions of the independent governmental agencies.

"The purpose of this bill", said Representative Cox (D.), of Georgia, "is to recapture a part of the powers of Congress which it should never have delegated to the bureaucrats."

During the debate Representative Michener (R.), of Michigan, cited the Supreme Court decision in the Pottsville Broadcasting Co., case. Quoting from the decision of Justice Frankfurter, Congressman Michener said:

"It would seem clear that this distinguished Justice feels that our country is fast approaching the day when the people shall be ruled, regimented, and regulated by bureaus and administrators rather than by laws. This case would seem to indicate that in the opinion of the present Court these administrative agencies should not have their decisions reviewed by the court and that the legal doctrine as followed by the Supreme Court in the past should possibly not obtain in this new day."

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EUROPEAN WAVE PLAN IS POSTPONED

According to the decisions of the Montreux conference of the European broadcasting companies, a new wave plan was scheduled to enter into effect on March 4, 1940 for the medium and long wave bands in Europe, including Germany and the Protectorate of Bohemia and Moravia, the American Commercial Attache at Berlin reports. It is now said in a report from Zurich that the European national broadcasting companies have decided that because of the war this change will be postponed indefinitely.

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REBROADCASTS OF NON-PROFIT INTERNATIONAL PROGRAMS AUTHORIZED

The Federal Communications Commission this week amended its rules and regulations to permit standard and non-commercial educational broadcast stations to pick up and rebroadcast the non-commercial programs of international broadcast stations. It was specified, however, that such rebroadcasting shall be on a non-commercial basis.

Briefly, this means that any broadcast station or a non-commercial educational station in the United States may, upon authority of the station originating the international program, pick up and retransmit the same for the benefit of its listeners. This applies to the program of any international broadcast station, whether it is located within or outside of the United States.

This action was taken on the basis of recommendation by a special committee of the Commission that, where possible, domestic listeners should enjoy the benefits of non-commercial international broadcasts.

The FCC action was taken after Mayor Fiorello H. LaGuardia, of New York City, had demanded permission for Station WNYC to rebroadcast programs of WRUL, Boston, and threatened to go over the heads of the Commission to Congress if his request was denied.

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WLW FACSIMILE REBROADCASTS DENIED

The Federal Communications Commission this week announced the adoption of its decision and final order denying the application of American Broadcasting Corporation of Kentucky (Station WLAP), Lexington, Ky., for special experimental authority to rebroadcast over the applicant's present broadcast assignment, with power of 250 watts, facsimile transmissions originating over Station WLW, Cincinnati, Ohio.

The Commission found that since the program of research and experimentation proposed by WLAP relate wholly to reception, and applicant has failed to show that the proposed program of research and experimentation has reasonable promise of substantial contribution to the development of facsimile broadcasting service, the granting of the application would not serve public interest.

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PAST, PRESENT, AND FUTURE OF TELEVISION FORECAST

O. H. Caldwell, editor of Radio Today and one-time member of the old Federal Radio Commission, has chartered the past, present, and future of television on the basis of testimony given during the hearings last week before the Federal Communications Commission and the Senate Interstate Commerce Committee.

Here's the way he sees it:

PAST -- Expenditures for Research, to date:

Radio Corporation of America	$10,000,000
Bell Telephone Laboratories	5,000,000
Philco Radio	2,000,000
Farnsworth Television	2,000,000
General Electric Co.	2,000,000
Westinghouse	1,000,000
Columbia Broadcasting System	1,000,000
DuMont	1,000,000
Miscellaneous	2,000,000
Total to date	$25,000,000

PRESENT -- Current Outlays during 1940:

RCA - NBC	$ 2,000,000
Other companies	2,000,000
Total	$ 4,000,000

FUTURE -- Possibilities of New Industry:

Annual Sales Volume	$1,000,000,000
Annual Sales, Sets	3,500,000
New industrial plant investment	200,000,000
New employment	500,000

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42-PAGE QUESTIONNAIRE DISTURBS BROADCASTERS

The broadcasting industry is in a state of alarm over what the Federal Communications Commission may have in mind as a result of the receipt of 42-page questionnaires which ask for the most detailed information on the financial setup of stations.

The FCC also asks for more data on network affiliations and even prospective tie-ups with the chains.

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"POT OF GOLD" PROGRAM EXONERATED BY U. S.

The Justice Department has decided not to institute "prosecutive action" against the NBC-Red "Pot o' Gold" and "Mead's Bakery" radio programs.

The Federal Communications Commission sent information concerning the two programs to the Justice Department early in February. The FCC said it had received complaints that the programs, "which involve gifts of money by chance", violate the lottery section of the Communications Act.

Assistant Attorney General O. John Rogge said in a letter made public by the FCC Saturday:

"After a thorough examination of the material submitted and a careful consideration of the facts presented, the Department has concluded that prosecutive action under Section 316 of the Communications Act of 1934, in these two matters, should not be instituted."

The FCC withheld comment on the Justice Department action, but the broadcast trade interpreted the action as a curb on the FCC. It was expected that five other program citations referred to the Justice Department by the Commission will be returned without action.

Nevertheless, there were indications that the industry itself may take steps to restrict the use of programs offering cash prizes such as "The Pot o' Gold". William S. Hedges, NBC Vice President, has sent a notice to NBC-Red stations that the agency for the "Pot o' Gold" program would be altered as of April 30. This notice was sent out, however, before the Justice Department's decision was announced.

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AMATEUR BAND AVAILABLE FOR FM TRANSMISSION

The Federal Communications Commission has modified the rules governing amateur radio operators and stations to make available to amateurs the band 58,500 to 60,000 kilocycles for radiotelephone frequency modulation transmission.

Previously amateurs were permitted to use radiotelephone frequency modulation in all amateur bands above 112,000 kilocycles. The change in the rules will make possible wider experimentation in this type of transmission, since equipment is quite generally available for the lower band.

The Commission also took the opportunity to re-arrange, in the interest of clarity, the other rules which specify the use to be made of the amateur bands, although no changes were made therein.

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FTC CITES SOURCES OF ADS INVESTIGATED

The Radio and Periodical Division of the Federal Trade Commission, established in October, 1938, which examines newspapers, magazines, catalogs and almanacs for false and misleading advertising matter, and which also reviews advertising copy broadcast through radio for the same purpose, presents an analysis of advertisements reviewed by it during the calendar year 1939. The analysis discloses the following data concerning the principal sources and mediums of publication of those advertisements marked and set aside as warranting further investigation.

Of the total number of commercial radio continuities marked during the first half of 1939 (later data not available), the following shows the respective sources thereof:

	Per Cent
Nation Wide Networks	23.1
Regional Networks	4.2
Transcription Recordings	3.9
Individual Low Powered Stations	18.1
Individual Medium " "	34.2
Individual High " "	5.9
Individual Clear Channel Stations	10.6

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RADIO WELL REPRESENTED AT GRIDIRON DINNER

The radio industry was well represented at the Gridiron Dinner Saturday night in Washington. Among those present were:

Gene Buck, President, American Society of Composers; Harry C. Butcher, Vice President, Columbia Broadcasting System, Washington; Gen. James G. Harbord, Chairman of the Board, Radio Corporation of America; William S. Hedges, Vice President, National Broadcasting Company, New York; Edward Klauber, Vice President, Columbia Broadcasting System, New York; Edgar Morris, Zenith distributor, Washington; Louis Ruppel, Press Division, Columbia Broadcasting System, New York; David Sarnoff, President, Radio Corporation of America; Oswald F. Schuette, Radio Corporation of America, Washington; Frederick I. Thompson, Federal Communications Commissioner; Niles Trammell, Vice President, National Broadcasting Company, New York; and Senator Burton K. Wheeler, Chairman, Senate Interstate Commerce Committee.

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BRITISH ABANDON HOPE OF REVIVING TELEVISION

The British Postmaster-General can see little prospect of the provision of a television service during the war, according to the American Commercial Attache at London. The Television Advisory Committee plans, however, to meet with representatives of the radio manufacturing industry to discuss the probable lines of development of television in the more distant future.

"Certain radio press correspondents and members of the trade have continued to advocate the resumption of a television service, even if in skeleton form, so that British television might retain its generally acknowledged lead in world television development", the U. S. Attache writes. "It had been suggested that a limited service for two hours daily, consisting of 75 percent of film, could be resumed with a skeleton staff.

"Sponsors and promoters of television development in Great Britain continually express fear of the rivalry of United States in this field, particularly during the war-time with transmission being suspended."

One of the London papers carried the following reference to television developments in the United States:

> "Reports from New York show that despite the abrupt closure of the Alexandra Palace station, America has not yet deprived Britain of her premier position in television development.
>
> "In the New York area a survey just completed shows that there are fewer than 2,000 television sets installed in homes. By comparison, within a radius of 100 miles of Alexandra Palace, there are estimated to be between 10,000 and 20,000 television sets now lying idle.
>
> "One American company televises twice a day on 5 days a week - a weekly total of 14 hours' entertainment. The British Broadcasting Corporation broadcast every day, and for a minimum of 20 hours weekly, sometimes greatly lengthened by outside sporting broadcasts.
>
> "Thirty percent of this American company's programs consists of film, while only a small proportion of film was used by the British Broadcasting Corporation."

Since the Postmaster-General has reaffirmed his views, The Wireless and Electrical Trader, one of the leading radio and electrical trade weeklies, expressed the opinion that in view of the very definite official statements of the Postmaster-General, it was felt that any further suggestions to the public that there may be even a restricted wartime television service can only cause unnecessary trouble.

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GERMANY SECOND TO U.S. IN NUMBER OF RADIO SETS

Although the United States still is far in the lead of all other countries in the number of its radio receiving sets, Germany ranks second with 16,000,000 sets, according to an estimate carried in the Sixth Annual Statistical Number of the "Electrical and Radio Trade News" issued by the Electrical Division, U. S. Bureau of Foreign and Domestic Commerce.

The statistical survey gives the United States 45,200,000 sets as of January 1, 1940, as against an estimated 52,000,000 for the rest of the world.

Radio sets in use in the United States are classified as follows:

U. S. homes with radios	28,700,000
"Secondary" sets in above homes	9,200,000
Battery portables	900,000
Auto-radios	6,500,000
Total sets in use, U.S.	45,200,000

The United Kingdom ranks next to Germany in the number of sets abroad. It has 9,085,050 receivers. France comes next with 5,104,689, and Japan follows with 4,666,058.

Other countries well up in the list are:

Argentina	1,000,000
Australia	1,148,021
Belgium	1,120,402
Canada	1,223,502
China	600,000
Denmark	820,100
Italy	1,100,000
Mexico	450,000
Netherlands	1,131,137
Brazil	500,000
Norway	401,931
Spain	800,000
Sweden	1,313,794
Switzerland	500,258
Union of South Africa	350,000
U.S.S.R. (Russia)	450,000

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TRADE NOTES

WHBC, Canton, Ohio, became affiliated with the Mutual Broadcasting System last Saturday. Operating on 1,200 kilocycles with 250 watts, WHBC is located in a market that is 70th in city-country retail sales. With the addition of WHBC, the list of Mutual stations totals 131. WHBC is owned by the Ohio Broadcasting Co., Inc.

The Federal Communications Commission has granted the applications of Pacific Telephone and Telegraph Co., San Francisco, Calif., for two new coastal harbor radiotelephone stations, one to be located near Fort Stevens, Ore., and the other near Portland, Ore., using frequency 2598 kc., unlimited time, the Fort Stevens station to operate with a maximum power of 400 watts, and the Portland station with a maximum power of 50 watts.

Maestro Arturo Toscanini and the NBC Symphony Orchestra will leave for an extended tour of South America on May 31, 1940, Lenox R. Lohr, President of the National Broadcasting Company has announced.

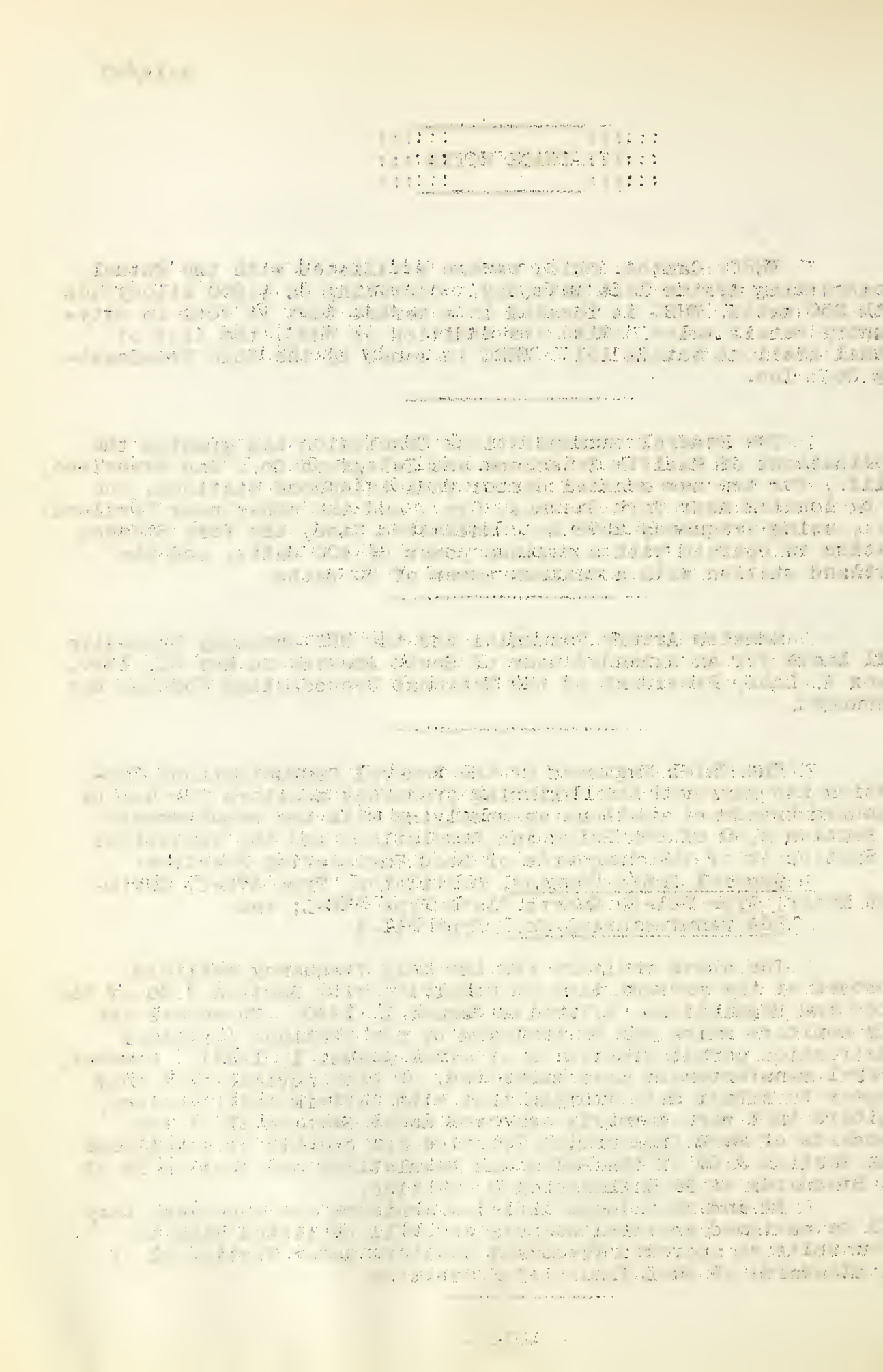
The Chief Engineer of the Federal Communications Commission has approved the following frequency monitors for use by standard broadcast stations as complying with the requirements of Section 3.60 of the Rules and Regulations and the provisions of Section 15 of the Standards of Good Engineering Practice:

General Radio Company, Oscillator, Type 475-C, Deviation Meter, Type 681-B, Quartz Plate Type 376-L; and

RCA Manufacturing Co., Type 311-A

The above monitors are the only frequency monitors approved at the present time as complying with Section 3.60 of the Rules and Regulations, effective August 1, 1940. These are the only monitors which may be employed by new stations (original construction permit granted on or after August 1, 1939). However, several manufacturers have submitted, or have advised that they propose to submit data showing that with certain modifications, monitors that were formerly approved under Section 21 of the Standards of Good Engineering Practice are capable of compliance with Section 3.60 of the Rules and Regulations and Section 15 of the Standards of Good Engineering Practice.

If and when these modified monitors are approved, they will be assigned approval numbers and will be listed with the above units as approved frequency monitors under Section 21 of the Standards of Good Engineering Practice.



The Federal Communications Commission has granted the application of the Martinsville Broadcasting Company for a new station in Martinsville, Va., to operate unlimited time on 1420 kc., with daytime power of 250 watts and nighttime power of 100 watts, subject to permittee filing an application specifying exact transmitter location and antenna system within two months hereafter. The application of the Patrick Henry Broadcasting Company for the same facilities was denied. Chairman Fly and Commissioner Case dissented.

In connection with its investigation instituted by order of February 7, 1940, for the purpose of obtaining further information to assist the Federal Communications Commission in determining whether its rules should be amended to make available for use in the Great Lakes region frequencies capable of providing a longer distance radiotelephone communication service between vessels on the Great Lakes and points on shore, the Commission has amended Part 7 of its Rules Governing Coastal and Marine Relay services. Rule 7.58(c) allocating frequencies available for assignment to coastal-harbor telephone stations was modified to include certain frequencies above 3000 kc for assignment to Great Lakes Coastal harbor stations. The general purpose of such modification of rule 7.58(c) will be to compensate for the reduction in range due to transmission over fresh water and the exceptional static conditions experienced during several months of the season of navigation. Rules 7.7, 7.8 and 7.58(b) remain unchanged.

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$5,300,000 INTERSTATE TELEPHONE RATE REDUCTION TARIFFS FILED

The Federal Communications Commission announced yesterday (Monday, April 15) that tariff schedules containing reduction in interstate message toll telephone rates representing approximately $5,300,000 annual savings to the public have been filed with it by the American Telephone and Telegraph Company. These reductions are being made as a result of conferences between that company and the Commission without the necessity of legal proceedings. The new rates will become effective May 1.

This reduction brings the total estimated annual savings to the public in interstate telephone rates to approximately $27,300,000 by reason of reductions made since the establishment of the Commission. If the reductions effected since the establishment of the Commission were computed on a cumulative basis, the savings to telephone users will have amounted to over $95,000,000 by the end of 1940; and this is so without taking into consideration savings on increased traffic.

The new schedules provide for reductions in all classifications of interstate toll telephone rates.

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JOHNSTONE TO BE RADIO DIRECTOR OF DEMOCRATIC COMMITTEE

G. W. (Johnny) Johnstone, for five years Director of Public Relations and Special Features at WOR-Mutual, this week announced his resignation from that post on May 1 to become Director of Radio for the Democratic National Committee. He will join the Committee on this date, making his headquarters in the National Press Building, Washington, D. C.

During his five years at WOR-Mutual, Johnstone has been the guiding hand in a succession of outstanding special events coverages that have won much attention for the network. Characterized by the "Saturday Evening Post" as "getting ahead of his huge network rivals with half their equipment and a quarter of their budget", Mr. Johnstone directed WOR-Mutual's thorough coverage of such spot news events as the Howard Hughes flight, the European crises and ensuing war, the maiden voyages of the "Queen Mary" and new "Mauretania", and a host of other news-making incidents.

Mr. Johnstone brings to his new post a varied experience in both radio and journalism. Prior to joining WOR-Mutual in November, 1934, he served as Manager of Press Relations and Assistant to the President of the National Broadcasting Company, dating from its formation in 1926.

His radio career began in March, 1923, as one of the pioneer employees of WEAF, then under the banner of the American Telephone and Telegraph Company. In 1924, on the basis of varied experience as newspaperman, radio operator and professional musician, Mr. Johnstone became the station's publicity manager, a post which led to his later position with NBC.

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FACSIMILE NO THREAT TO PRESS, SAYS EDITOR

Almost half a year as the editor of the radio-facsimile newspaper put out by the Dallas (Tex.) Morning News has convinced Gene Wallis that the potentialities of this work, still in its experimental stage, are unrealized, according to Editor & Publisher.

Mr. Wallis last week reviewed the progress of the daily broadcasts over short-wave station W5XGR, as he relinquished the editorship to devote his full attention to duties as business editor of the News.

Mr. Wallis has supervised preparation of copy for the broadcasts since they first went on a regular daily schedule last October. Prior to that time the broadcasts had been on an irregular basis and were first demonstrated to the public in an exhibit at the Texas State Fair last Fall.

"Nobody knows the future of facsimile", Mr. Wallis told Editor & Publisher. . . ."Newspaper publishers who think this work we're doing will some day lead to obsolescence of their properties can stop worrying. I can't see how radio facsimile can ever take the place of the newspaper, or provide effective competition for it. Its real value probably hasn't yet been thought of. While our engineers are slowly perfecting their technique, making constant improvements in efficiency and clarity of reception, it will take someone who doesn't know anything about facsimile to get a brainstorm and supply the answer we're still seeking."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

APR 20 1940

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No. 1227

HOUSE PASSES WALTER-LOGAN BILL; VETO FORECAST

By a three-to-one majority the House this week passed the Walter-Logan Bill designed to restrict drastically the authority of governmental administrative agencies, including the Federal Communications Commission, and sent it to the Senate.

Although the House spent three days discussing the measure, many members admitted they didn't understand just what it provided. Majority Leader Rayburn sought to have it returned to the Judiciary Committee because of its confusing features.

There was only an occasional passing reference to the FCC during the debate. Most of the members' ire against "bureaucrats" was directed at the New Deal agencies.

The bill was sent to the Senate, which last year passed almost an identical measure before the Administration leaders realized its full significance. They recalled it from the House and a motion to reconsider its passage is pending. Few believe that the Senate will consider the Walter-Logan measure this session and even if it finally is sent to the White House a certain veto faces it, in the opinion of many.

As it passed the House, the bill requires public hearings for all rules and regulations issued in the future by administrative agencies, and, upon request of anyone "substantially interested", for all rules now in force if they have been in effect less than three years.

Once the rules have been issued, they can then be appealed by anyone to the United States Circuit Court for the District. The court can invalidate them if they conflict with the Constitution or a statute, or if the agency exceeded its authority.

In addition to any person who is "aggrieved" by a decision of an officer or employee of an agency is guaranteed a hearing before a special three-man board. If he is still "aggrieved" by the agency's final decision, he may appeal to the Circuit Courts.

The bill covers the 100-odd executive departments and agencies with some exceptions, such as the State, War, Navy and Justice Departments, Federal Reserve Board, Interstate Commerce Commission, Federal lending agencies, Federal Trade Commission, Railroad Retirement Board and National Mediation Board.

Mark Sullivan, newspaper columnist, in a review of the bill suggested that the bill, if it had been a law at the

time, might have had its effect on the FCC in reopening the television inquiry.

Louis G. Caldwell, Washington radio attorney, in an analysis of the bill as published in the Congressional Record appendix by Representative Luther A. Johnson (D.), of Texas, said:

"The bill is really a combination of two bills: (1) to regulate Federal administrative agencies in the making of rules and regulations, in other words, their quasi-legislative functions; and (2) to regulate Federal administrative agencies in the determination of particular controversies, in other words, their quasi-judicial functions. Section 1 is devoted to definitions and section 7 to exceptions and reservations. Both sections are applicable to the two portions of the bill.

"Although the bill has been greatly improved over the original draft submitted to the American Bar Association, it still is full of flaws, ambiguities, and even incongruities. In order not unduly to extend this memorandum, I shall for the most part pass over such matters. Some of the more important will be mentioned under the appropriate headings below. . . . . .

"Section 4(e) of the bill provides a procedure for 'independent' agencies, that is, agencies having two or more officers at the head.

"It should first be noted that the bill does not prescribe any procedure for such agencies. It is simply permissive or contingent. In effect, it states that such an agency may provide by rule that 'where any matter arises out of the activities' of such agency it may be heard in the first instance by one of its trial examiners. If the agency so provides by rule, the examiner shall file his written findings of fact and separate decision after public notice and a full and fair hearing, copies to be sent by registered mail to the aggrieved party. There follow rigid provisions giving the aggrieved party an opportunity within 30 days to file written objections; and if he does so, the agency shall not enter its decision without first according a public hearing upon reasonable notice to the party. There are other details which may be passed over.

"The foregoing is objectionable for the following reasons:

"1. Even if it be conceded that the procedure is meritorious, no independent agency is required to follow it, and any such agency may evade it by simply not providing by rule that matters may be heard by trial examiners. In fact, most of the statutes governing the important commissions specifically prescribe or authorize the delegation of the power to hear and decide controversies in the first instance to individual members or groups thereof, employees, examiners, etc., and it seems probable that the specific provisions of such statutes will not be considered to be repealed by the general and ambiguous language of the bill.

"2. The machinery now available at most of the important commissions is at least equal to, and in a number of instances is better than, the procedure specified in the bill.

"3. The bill attempts (on a contingent basis) to prescribe rigid details of practice such as the requirement of service by registered mail and the specification of a 30-day period; such matters should not be enacted into law without study of their actual effect upon existing procedures. It is my impression that in some instances the 30-day period is probably too long and in others too short. The Federal Communications Commission, for example, allows a longer period under certain circumstances for parties from the Pacific Coast, Hawaii, and Alaska than it does for parties farther east. Corresponding differences will be found in the procedures of other commissions, usually built on years of experience.

"4. So far as is apparent from the face of the bill, no existing evil in any of the independent agencies will be cured by its provisions.

"At this point a comment may be made that applies both to this and the preceding subheading. It is to be feared that, if enacted into law, the bill will have the effect of hindering or preventing any fundamental or far-reaching reform of Federal administrative agencies such as has frequently been proposed and as was endorsed by the President's Committee on Administrative Management. This type of reform would, broadly speaking, consist in returning all the regulatory functions of independent commissions, other than their quasi-judicial functions, to the executive departments, and setting up really independent quasi-judicial boards for the hearing and determination of controversies on the model of the Board of Tax Appeals."

In his conclusion Mr. Caldwell criticized the recent report on FCC procedure by the Attorney General's Committee.

"I do not want to leave the subject without adverting briefly to developments which represent a point of view at the other extreme from the Logan-Walter bill", he said. "It is evidenced by the monographs now being made public under the auspices of the Attorney General's Committee on Administrative Procedure, submitted to it from time to time by its staff. While the monographs do not as yet have the approval of the Committee, they reveal a uniform approach which to me is just as far from leading to any remedy for the evils of the existing situation as is the bill. . . . . Its monograph on the Federal Communications Commission, for example, is so inaccurate in describing and commenting on that agency's procedure that no person not already familiar with the subject may safely use it as a source of information. While I believe that the other monographs so far published do not exhibit inaccuracy or want of objectivity to the same extent, some of them reveal that the Commission's procedure is tacitly used as a measuring rod and all of them reveal the same a priori approach. The staff's philosophy may or may not ultimately prove to be correct. My point is that the issue, which is at least highly controversial, should not be determined in advance or on the strength of faulty evidence."

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PAYNE BACKS REVOCATION OF FOUR TEXAS LICENSES

Recommendation that license revocation orders be affirmed in the cases of four Texas radio stations -- KTBC, Austin; KNET, Palestine; KRBA, Lufkin, and KGKB, Tyler -- was made to the Federal Communications Commission this week by Commissioner George Henry Payne as a result of hearings which he conducted in that State during March. In his opinion, the charges of hidden ownership made in connection with all four stations "have been fully sustained".

At the same time, Commissioner Payne has signed an order remanding the case of a fifth Texas station, KSAM, at Huntsville, for further hearing.

The March hearings developed that the technique used in securing the licenses of KTBC, KNET, and KRBA and of transferring the rights under them was practically the same. Commissioner Payne said in his preliminary report:

"First, James G. Ulmer prevailed upon three local men of excellent reputation and financial stability to organize a copartnership for the sole purpose of securing a station license. Next, he directed all the important details . . . and finally had his own lawyer, James H. Hanley, file the papers . . . Soon after the construction permit had been secured, the partners entered into a contract authorizing Ulmer (or one of his co-workers) to finance, construct and operate the station. Thus, in the early history of the station, did the partners assign their license rights without the knowledge or consent of the Commission.

"The partners made no capital investments and received no income from the station . . . All, or almost all, of the profits found their way into Ulmer's pockets or the pockets of one of his close associates. The partners had no control of the station's bank accounts, receipts or expenditures . . . They continued to sign papers because they were the licensees of record in order to deceive the Commission.

"It is clear that the partners were simply puppets manipulated by Ulmer who was the puppeteer. It was Ulmer, or one of his associates, who financed, constructed and operated the station. It was he who controlled the programs and the station policy. It was he who hired or fired employees and enjoyed the profits.

"The partners signified under oath by their application and associated papers that they would finance and control the station. This they never intended to do, thus perpetrating fraud upon the Commission. In several instances the partners submitted sworn statements showing that the partnerships involved possessed substantial assets, whereas, in fact, such partnerships possessed no assets whatever. Station assets belonged to Ulmer or one of his associates."

Ulmer is also identified with Station KGKB but this case, points out Commissioner Payne, involves a corporation and differs somewhat from the partnership cases. According to the report:

"Here Ulmer gained voting control of the East Texas Broadcasting Company by means of stock purchases, without the knowledge or consent of the Commission . . . Here, too, the license rights were illegally assigned and illegally exercised by the assignee, who again was Ulmer.

"Ulmer's conduct is reprehensible in more ways than one. He has induced honest and self-respecting men to violate the law and participate in an intricate scheme of deception. Most of these men made themselves parties to Ulmer's machinations through honorable intentions - a desire to serve their communities. Some of them even tried to break through the net in which Ulmer had caught them. But Ulmer's own conduct was prompted wholly by greed. Ulmer has cast a shadow upon the business of broadcasting."

Orders of revocation were issued by the Commission against Stations KTBC, State Capitol Broadcasting Association, Inc., KNET, Palestine Broadcasting Association, and KRBA, Red Lands Broadcasting Association on February 7; in the case of KGKB, East Texas Broadcasting Co., on February 13, and that of KSAM, Sam Houston Broadcasting Association, on February 8.

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G.O.P. PUBLICITY AIDE HITS FCC ON TELEVISION

Further indications that the current television controversy may have repercussions in the national political campaigns was seen this week.

Franklyn Waltman, Publicity Chief for the Republican National Committee, in his weekly column "Looking Forward", reviewed the argument in 1,000 words, quoting from Commissioner Craven's letter to Senator Lundeen and summarizing with characteristic hostility the Federal Communications Commission's reasoning. He ridiculed the logic behind the FCC's "edict", declaring that suspension of the rules is a typical instance of New Deal unfriendliness toward business.

"No person in this country with enough money to buy a television receiver expects that the set now purchased will be as good as those available two or three years hence", Mr. Waltman said. "Nevertheless, many thousands of persons now would like to have a television receiver. But the FCC says they cannot . . .

"The action of the FCC in this case illustrates the real purpose of the New Deal better than any 10,000 words. Not only does it completely reverse itself in less than a month, but it undertakes to suppress - or at least hold back - a new industry which some day will supply employment for many thousand persons."

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FCC GRANTS PERMIT IN PRESS TIE-UP

Efforts to prevent close affiliation between newspapers and radio broadcast stations, particularly in small communities where there might be an interlocking management of both facilities, failed this week when the Federal Communications Commission granted a radio station construction permit at Martinsville, Va., to a co-partnership, known as Martinsville Broadcasting Co., one of the members of which owns the only daily newspaper in the town.

The policy was inaugurated during the regime of Frank R. McNinch, and was considered of such importance that Chairman James L. Fly filed a two-page dissenting opinion.

The Chairman held that the Commission's latest action was inconsistent with a ruling in 1938, when a station was granted to an applicant other than a newspaper, which also was an applicant, on the ground it would furnish a competitive medium.

The views expressed in that case, the dissenting opinion said, "were of course not intended to be applied generally to all newspaper applicants, but only when a grant would tend toward creating a local monopoly in the channels for the public expression of opinion and in the dissemination of news and information and when at the same time a competing application was granted. In my opinion, this policy is sound, and I find no sufficient justification for failure to apply it here."

Commissioner Paul Walker, supporting the majority ruling, said he agreed with the policy regarding monopoly of news through unity of ownership of all means of communications, but the "instant case is not the proper one for beginning the application of this policy".

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WNYC MAY BE LEASED TO PRIVATE OPERATOR

WNYC, New York City's own station, may be leased for private operation. The Citizens Budget Commission this week recommended such action to the Board of Estimate.

Tracing the growth of WNYC, the city radio station, from a $6,600 agency in 1923 to a $118,405 agency this year, the Commission report recommended that the station beleased to private interests with appropriate reservations for public use, and that its appropriation be dropped from the budget. The report described the station as "an unnecessary luxury".

The change will save the city $118,405 a year, the Commission predicted.

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FCC IGNORES LABOR, SENATE COMMITTEE TOLD

The Federal Communications Commission has hampered telegraph operators in their efforts to protect communication workers from "uncontrolled mechanization", the Monopoly Committee was informed yesterday (Thursday) in its inquiry into the machine age's impact on unemployment.

Daniel Driesen, legislative representative of the C.I.O. American Communications Association, charged that the FCC had not even "considered the viewpoint of labor" in its report on proposed merger of major telegraph companies.

The Commission, in a report last December 23, "indicated that the telegraph companies by consolidation at the expense of workers' jobs will be financially able to introduce technological changes which will enable them to lay off further workers and reap additional profits", Driesen asserted.

Telegraph companies merely report to the FCC the rate of compensation to their employees, requiring no statistics on "actual wages paid, despite the fact that so large a percentage of workers employed in the industry are now on part-time", the witness said.

Driesen said the number of workers in the telegraph industry has declined 31,600 since 1930, a drop of approximately 30 percent. Chiefly responsible for the decline, he stated, was replacement of the Morse key with the automatic multiplex telegraph and the keyboard printer.

The industry today is again in the process of "almost complete remechanization" through development of the superimposed circuits, automatic switching between circuits and automatic facsimile telegraphy, Driesen asserted.

He said that "wherever union organization is not present to prevent it, this mechanization results in unemployment, reduction in wages, increase in speed-up and worsening of working conditions".

James B. Carey, President of the United Electrical Radio and Machine Workers, testified that technological advances through elimination of jobs are destroying purchasing power faster than they cheapen prices.

Senator O'Mahoney (D.), of Wyoming, Committee Chairman, has suggested experiments with Federal tax reductions for industries and employers who create employment opportunities.

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PRINCETON PROF. EXPLAINS THE ORSON (MARS) WELLES SCARE

The 1,200,000 Americans who were stricken with terror on Hallowe'en night of 1938 by a radio dramatization of a fantastic invasion of the earth by the inhabitants of Mars laid bare "a specific ailment in the social body", Dr. Hadley Cantril, Associate Professor of Psychology in Princeton University, declares in his report of a scientific study of the incident, published this week by the Princeton University Press.

Development of critical ability, extensive educational opportunities and political and economic stability are the panic-preventive medicines prescribed by Professor Cantril in the book which is entitled "The Invasion from Mars".

Conservative figures indicate that 6,000,000 persons listened to the presentation by Orson Welles and the Mercury Theatre on the Air of a radio adaptation of H. G. Wells' "The War of the Worlds". Because of the dramatic technique employed, 1,700,000 of the listeners believed that the broadcast was an actual news bulletin. Seventy percent of those who thought it was a news broadcast were frightened by what were apparently eye-witness descriptions of the landing of the Martians near Princeton and the irresistible march of their towering fighting machines toward New York, destroying soldiers, civilians and countryside with heat rays and poison gas. Telephone calls increased 39 percent above normal in metropolitan northern New Jersey. Panic, however, was not confined to that area but was general throughout the country.

Economic and political upheavals of the last decade have created a sense of insecurity and a feeling of bewilderment in the average person, Professor Cantril states, and points out that instability is a fertile field for the panic-seed. Other contributing causes, found by Professor Cantril in individual cases of terror, were intense religious beliefs regarding the end of the world, a feeling that because of the disturbed international situation an attack by a foreign power was not unlikely, a notion that scientists have fantastic powers and imaginations inflamed by stories and comic strips of interplanetary exploits.

"Psychologically", Professor Cantril reports, "most persons who tuned in to the broadcast as a news report were unable to verify the interpretation they heard because 1) they possessed standards of judgment that adequately accounted for the events and made them consistent with latent expectancies, 2) because they did not have adequate standards of judgment to distinguish between a reliable and an unreliable source of confirmation; 3) they had no standard of judgment and felt the need of one by means of which they could interpret the reports, thus accepting the interpretations provided by the 'observers' of the events and by the prestige of radio, and 4) they had no standard of judgment and unhesitatingly accepted the one provided."

Explaining why those who were terror-stricken became so frantic, Dr. Cantril writes: "The coming of the Martians did not present a situation where the individual could preserve one value if he sacrificed another. It was not a matter of saving one's country by giving one's life, or helping to usher in a new religion by self-denial, of risking the thief's bullet to save the family silver. In this situation the individual stood to lose all his values at once. Nothing could be done to save any of them. Panic was inescapable."

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TRADE NOTES

World radio market series issued by the U. S. Bureau of Foreign and Domestic Commerce recently include Macao, Union of Soviet Socialist Republics (regulations), Liberia, Brazil, Luxemburg, Jamaica (regulations), Andorra, and Ireland.

Supreme Court Justice Graham Witschief in White Plains, N.Y., has approved the petition of the Huguenot Yacht Club to sell Little Pea Island -- about a mile off Glen Island in Long Island Sound -- to Columbia Broadcasting System. CBS will pay $17,000 for the island and subject to approval of the Federal Communications Commission, will build a new transmitter, replacing the present WABC tower at Wayne, N. J.

Dave Driscoll has been appointed Director of Special Features for WOR, effective May 1, according to Alfred J. McCosker, president of the station. His appointment follows the resignation of G. W. (Johnny) Johnstone, since 1934 Director of Special Features and Press, who becomes Director of Radio for the Democratic National Committee on May 1. Under the new WOR set-up, publicity will be handled by a separate department. Mr. Driscoll, who has been associated with Mr. Johnstone for more than four years, joined WOR in 1936 as a part-time sports and special features announcer, shortly becoming a regular member of the staff.

The Columbia Broadcasting System, Inc., reported Wednesday for the thirteen weeks to March 30, subject to audit, a net profit of $1,552,031, equal to 90 cents a share on combined 1,716,277 shares of $2.50 par Class A and Class B stocks. This compares with $1,163,947, or 68 cents a share on 1,708,723 shares for the thirteen weeks to April 1, 1939.

Paul W. Keston, Vice President, replying to a stockholder's question at the annual meeting in New York, declined to make specific comment on CBS television activities pending the outcome of the recently opened television hearings by the Federal Communications Commission in Washington.

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WINNING ESSAYS ON COPYRIGHT LAW PUBLISHED

The American Society of Authors, Composers, and Publishers this week was distributing bound copies of the "Second Copyright Law Symposium" containing the five essays adjudged as best among the papers submitted from seventy-six law schools which participated in the Nathan Burkan Memorial Competition.

The winning papers were judged by Herman Finkelstein, of the New York bar. The winning essays and the writers were:

"The Extent of Copyright Protection for Law Books", by Paul P. Lipton (University of Wisconsin); "Analysis, Criticism, Comparison and Suggested Corrections of the Copyright Law of the U. S. Relative to Mechanical Reproduction of Music", by Charles W. Joiner (State University of Iowa); "Some Copyright Problems of Radio Broadcasters and Receivers of Musical Compositions", by George W. Botsford (University of Arizona); "The Motion Picture Distributor and the Copyright Law", by Irvin E. Bernstein (Yale Law School); and "Copyright Laws in Georgia History", by W. Marion Page (University of Georgia).

Mr. Botsford in his review of the copyright problems of radio broadcasters came to the following conclusions:

"To the writer, it appears that the exclusive right of public performance for profit given a composer should not be curtailed to any extent, especially since radio broadcasting has resulted in a very marked diminution of royalties received from the sale of copies of a given musical composition. It is said that the life span of a modern song, even when it is of more than average popularity, is only three months. The reason assigned for this change is that radio broadcasting, by its very number of performances of the composition within a short time, dulls the taste of the public for hearing a rendition of the particular music.

"To the writer, it likewise appears that the construction of the courts that radio broadcasting and reception are performances within the statute is logical and that the operation of the statute under such a construction is fair. The test of the fairness of a statute is how it works in practise. All radio broadcasters, because of the statute, are, in practise, made to obtain licenses for their performances. There would seem to be no quarrel with this result. In respect to radio receivers, as a practical matter, only those who receive broadcasts for the benefit and enjoyment of a large number of persons are forced to obtain licenses. The composer, as represented by ASCAP, does not, for example, go to the corner drugstore and force the proprietor there to obtain a license for the performance of his musical compositions over the radio. The composer does, however, go to a large hotel, which is engaged in providing music to several hundred guests, for the guests' enjoyment and require a license in that case. Can there be any quarrel with this result? To attempt, by a specific statement of exceptions in a statute, to obtain this same result would, on the other hand, very possibly open the door

to undesirable abuses of the author's rights, and would, further, accomplish nothing. Therefore, I would suggest that, for the present, at least, the statute be left untouched.

"Having finished a discussion, in some detail, of the composer's rights in radio broadcasting and of the problems confronting a radio broadcaster or receiver, the answers to the questions originally put in connection with the Copyright Act of 1909 readily appear. The question - When does one have a valid copyright? - may be answered by saying that a person, who is one entitled to enjoy the statute, who has performed the necessary formalities required by the statute to obtain protection, and who has a manuscript which is subject to protection under the statute, it being not immoral and an original, having literary merit, and not having been published before obtaining the copyright, has a valid copyright.

"The last question - When is there a performance infringing that copyright? - may be answered by saying that there is an infringement when there is a performance, to the public, for profit, without the consent of the copyright owner."

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RADIO PROSPEROUS; OTHER MEDIA OFF

"Radio is enjoying a lush springtime this year, at a time when United States business generally is decidedly off and while other advertising media have ample occasion for complaint", Variety comments this week. "In partial explanation of this brilliant exception to the prevailing rule, the master minds are crediting the healthy condition to the radio industry's insistence upon 13-week cycles and to the whole discount structure of radio which practically forces advertisers to follow sound principles of advertising, namely, regular, consistent, fixed campaigns over long periods. Radio does not permit sponsors to jump on and off the bandwagon as they blow hot or cold.

"In the two months during which Variety has compiled its box-office reports on radio time sales in key cities, the following change has been noted between the first and most recent reports (totals are weighted for omissions):

	Percent
Network business	+2.7
National spot business	+4.5
Local business	+12.4

"Although the upturn in radio time sales this Spring was not altogether unexpected, it is the result (according to the trade's best master minds) of cumulative trends, rather than any particular new event or strategem. More specifically, radio today has maneuvered itself into the position where it is capitalizing on the advertiser's goodwill at the expense of other media."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
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LABOR DRIVE ON RADIO ADS BRINGS PRESS PROTEST

A mail campaign by the International Allied Printing Trades Association to unite publishers and other interested parties in a fight to curb radio advertising brought a reproof this week from Editor & Publisher, the newspaper publishers' organ.

The campaign is being directed from the Washington headquarters of the Printing Trades Association, which represents 150,000 tradesmen in 900 cities of the United States and Canada. Its chief interest, it was explained, is protection of jobs of its members.

Over the signature of John B. Hagerty, President, the Association last week sent letters to all newspaper and magazine publishers in the United States.

"For the year 1939, the gross sales of radio time amounted to $171,113,813, while the gross volume of national magazine advertising was $151,484,530", the letter stated. "The radio advertisers not only paid this sum of $171,113,813 to the radio stations but, in addition thereto, they paid many additional millions of dollars for music, entertainers, royalties, etc. While newspaper advertising in 1939 increased 1.5% over 1938, magazine advertising increased 9.1% over 1938, national farm publications advertising increased 2.6% over 1938, radio station and radio chain advertising increased 15.9% over 1938.

"Magazines and newspaper plants represent large and substantial investments and provide employment for many thousands of organized workers while radio stations, in most cases, represent but a small investment for physical equipment and provide employment for a relatively small number of persons.

"While radio broadcasting licenses are issued by our government, without cost to the holders thereof, through the reports of the Federal Communications Commission we note that the present value of these licenses represent vast money."

The letters to publishers asked "what plans, if any, have been considered or what plans may be considered to correct this situation which has already proven most harmful to the best interests of printing trades workers and their employers".

Although no mention is made of the Association's own plans, it is reliably reported that new restrictions on radio broadcasting are considered by the labor group to offer the solution. Breakdown of the chains, restoring stations to local

ownership, has been suggested. With newspapers owning or controlling about one-third of the licensed facilities, the printing trades believe the advertising reduction program might "begin at home", in the interest of protecting the more costly investment - the publishing plant.

Under the heading "Off on the Wrong Foot", Editor & Publisher said:

"Editor & Publisher is wholeheartedly in favor of any plan which will bring advertising back to newspapers, but it does not believe that that result can be accomplished by turning back the clock. Breaking up the radio chains by Commission or Congressional action will not reduce the number of radio stations now competing for the advertiser's dollar. Neither will an attempt to restrict stations to local ownership be made. The logical result of either step will be substitution of cooperative selling for joint ownership. The basic problem will still be unsolved.

"Printed media can only prosper by aggressive promotion of their own merits, by demonstrating that they can do a better job for the advertiser at a cost no higher than that of their competitors. We firmly believe that such a case can be made, especially for and by the newspapers which represent the bulk of investment and employment in the printing trades. The daily newspapers have already undertaken a positive, forward-looking, campaign, under the auspices of the Bureau of Advertising, and it is already producing results. They have avoided the negative, and futile, attempt to legislate radio competition out of their way.

"If the Printing Trade Association is off on the wrong foot, and we believe it is, if our information on its plans is correct, the same observation can be fairly made about many newspapers. Approximately one-third of the nation's radio facilities are now owned by or closely related to daily newspapers. The bulk of the promotion of radio as an advertising medium is now appearing over the signatures of these newspaper-radio combinations. And we can say with authority that the promotion directed to advertisers by these combination interests has recently been, in total bulk, more heavily concentrated on the radio than on the newspaper story.

"We suggest that the proprietors and workers in the printed media do indeed have a common interest, and that a common strategy against broadcast competition is quite in order. They might begin on the basic principle all they can't hope for legislation which will cripple broadcasting as a communications medium, and that if they could, it would do them little good. That program is totally lacking in realism. We want none of that, and we need none of it; the printed word is every bit as effective as it ever was, and it will prosper best by impressing that fact upon the consciousness of all America.

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RADIO EXCISE TAX COLLECTIONS UP 26.4%

An increase of 26.4 percent in March, 1940, of radio excise tax collections brought the total payments of the 5 percent Federal excise tax for the first quarter this year to a point 31.8 percent higher than the similar quarter ended March, 1939. The latter were 52 percent above the collections during the first three months of 1938.

The current Bureau of Internal Revenue report on tax collections reported collections in March, 1940, of the 5 percent Federal excise tax on radio were $445,871.21, an increase of 26.4 percent over the March, 1939, radio taxes of $352,648.84, although the collections last month were below the February, 1940, radio collections of $632,977.54. March collections of excise taxes on refrigerators decreased, being $933,517.15 last month compared with $954,436.34 in March, 1939.

The radio tax collections for the first three months ended March 31, 1940, totaled $1,756,911.52, compared with radio taxes in the first quarter of 1939 totaling $1,332,993.99, an increase of $423,917.53, or 31.8 percent over the first quarter of 1939.

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SEES 25,000 TELEVISION SALES IN N.Y.C.

Within a year after the Federal Communications Commission permits commercial television programs, more than 25,000 television receivers will be sold in the New York area alone, according to Thomas F. Joyce, Vice President and Advertising Director of the RCA Manufacturing Company, Camden.

Mr. Joyce made his predication at the Spring convention of the Society of Motion Picture Engineers at Atlantic City, according to the New York Times. He said television was a potentially gigantic industry that eventually would employ hundreds of thousands of workers. Thirty stations in eighteen cities had applied to the FCC for television licenses, he declared.

"Six of these have already been granted", Mr. Joyce declared, "and if the others are granted, up to 10,000,000 families will be within range of home television service. If these stations begin sending out television programs, at least 1,000,000 television receivers will be purchased by the American public in five years."

He said he did not believe television would hurt good movies and urged the motion-picture industry to assist in the development. Condensed previews of the picture could be presented by television to the home audiences, he said, and potential stars would be able to get their test in television.

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AN EX-COMMISSIONER COMMENTS ON FCC CHAIRMAN

One of the most severe criticisms to be published of James L. Fly, Chairman of the Federal Communications Commission, since the reopening of the television inquiry, is carried this month in the current issue of Radio and Television Today, by Orestes H. Caldwell, editor and former member of the Federal Radio Commission.

"Every man in the radio business will be stunned at the full implications of the new government policy by which the FCC Chairman presumes to dictate how and when radio merchandise shall be sold - and even addresses the public with advice not to buy radio products which lack his approval!" said Mr. Caldwell in an editorial.

"Of course, as everyone knows, there is today a patent struggle involved at Washington. At this time, the radio industry's engineers cannot agree on uniform recommendations for future operations. With the radio industry thus divided, government officials have seized the opportunity for an outrageous assumption of authority to meddle into merchandising - an attack that concerns the future of every manufacturer, every distributor, every dealer and every serviceman.

"If such a policy is persisted in, we may see the FCC demanding further air-time from its helpless broadcast licensees, to publicly interfere with the merchandising of radio receiving sets, combination-phonographs, and other associated products.

"Servicemen may hear a Washington voice coming over sets they have just fixed, advising Mrs. Jones against purchasing the very tubes they have just installed.

"Dealers making receiver demonstrations may suddenly hear bureaucrats counselling their customers to buy no push-button sets or no FM sets, because 'still newer things are ahead' in the bright future of radio. Or, the capricious and political-minded Commission, today officially approving FM, may 30 days later be cautioning the public against the new system because it will obsolete 45 million existing receivers! . . . .

"The FCC was created to serve as traffic cop of the wavelengths only. There it is needed and is unquestionably boss! But when its autocratic arm reaches over into the homes and stores and service-benches of America and attempts to order or advise what shall be purchased and what shall not, it is time the whole radio industry and trade united to shut bureaucracy out of our end of radio!

"Every dealer and every distributor should clearly understand that the issue now involved is no longer television alone, but the sale of radio sets and supplies - your business! The trade must realize that government through this approach, is

creeping in on the $400,000,000 radio business itself, from which 200,000 families derive their support.

"So the whole radio industry, whatever its temporary internal differences of opinion, must keep alert to the greater danger that besets each individual business through government meddling. It is time for all radio interests to unite in demanding that in the merchandising of radio the government keep "Hands Off!"

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"WHAT IS ASCAP?"; ASCAP HAS THE ANSWER

The American Society of Composers, Authors, and Publishers has sent out from its New York headquarters folders titled "What is ASCAP" and answering the query in the following five pages.

Pointing out that ASCAP is a "non-profit" association, the folder adds:

"It is dedicated to the principal that 'no man or woman in the United States who writes successful music, or anyone dependent upon them, shall ever want.'

"Membership in the Society is available to every citizen of the U.S.A. who is a qualified composer, author or publisher of musical works. Membership is not available to mere aspirants in these fields, but only to persons who have proven their right to recognition by having created actually published successful works of a type such as are performed in establishments licensed by the Society.

"The American Society of Composers, Authors and Publishers bespeaks the good will of the millions of people in our country who are daily entertained, amused and moved by the musical compositions created by our members."

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Radio appears destined to play an important role in Argentina's educational curriculum, according to U. S. Vice Consul Joe D. Walstrom, Buenos Aires. For the past few months the Government "School of the Air" has been making experimental transmissions from the official station in Buenos Aires and recently broadcast its first primary educational course. In addition to daily transmissions for the primary grades, it is planned to have three different types of evening programs arranged for parents, teachers, and adults desiring elementary education. The "School of the Air" is under the joint supervision of Argentine educational authorities and the Department of Posts and Telegraphs. The project still is in a preliminary stage, since only a few of the local schools are equipped as yet with satisfactory radio receiving sets. However, plans now are under consideration whereby each school will acquire complete reception facilities.

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FCC SEES NO X-RAY DANGERS FROM TELEVISION

A timid radio listener has written to the Federal Communications Commission to suggest "the danger from X-Rays to which the public will be subject in the use of television receiving sets.

"According to the best available information", the FCC states in reply, "the efficiency of X-Ray generation at the voltages employed in cathode-ray television systems is extremely low, and any X-Rays so produced are of such low penetrating power as to be completely absorbed by the glass walls of the tube. Not only is this true of cathode-ray tubes in television receiving sets, but also of the tubes used in transmitters. In neither case do engineers consider there is any danger from X-radiation."

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"LISTEN BEFORE YOU VOTE", PROMOTION SLOGAN

A national campaign for general radio promotion of the National Association of Broadcasters and the Radio Manufacturers' Association was approved and provision made for its continuance by the RMA Board of Directors at its meeting last Thursday, April 18, at the Hotel Roosevelt, New York City. Toward the NAB-RMA campaign, designed to promote sales of the manufacturing industry, as well as the interests of broadcasting, the RMA Board matched a substantial appropriation recently made by NAB. "Lister Before You Vote" will be a prominent feature during the presidential election campaign of the joint promotion project, and it will include factors for sales promotion of tubes, parts and accessories, as well as receiving sets.

No action relating to television or frequency modulation problems was taken by the RMA Board of Directors, and there was no discussion of either except for factual reports of recent official action in Washington.

Further steps toward clarification of tube advertising rules in the Fair Trade Practice Rules promulgated by the Federal Trade Commission were taken by the RMA Board.

Tentative plans for the Sixteenth Annual RMA Convention and Radio Parts National Trade Show at the Stevens Hotel in Chicago, June 11-14, were approved by the RMA Board.

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A.P. VOTES TO BROADEN RADIO NEWS POLICY

Members of The Associated Press moved at their fortieth annual meeting in New York City this week to broaden the organization's policy covering use of its news services for sponsored radio programs.

Kent Cooper, General Manager, in his annual report of the Directors, said:

"Early this year, the Board directed that the members be polled to obtain an expression of views as the result of the increased use of news in broadcasting. The following are the results: 939 members replied; 302 members failed to reply. Of those replying, 674 unconditionally favored liberalization, 231 unconditionally opposed liberalization; thirty-four conditioned their replies or left it to the judgment of the Board.

"The Board feels that this is a clear expression of the wishes of the membership to make every effort to develop the advances of this field. The Board calls attention to the fact, however, that the field has been intensively developed already by the news agencies and only experience can determine the addition to revenues which may result."

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RADIO EXPORTS INCREASE THIS YEAR

Radio exports last February continued to show the increase begun in January, according to the current February report of the U.S. Bureau of Foreign and Domestic Commerce. Radio exports last February totaled $1,772,464, a substantial increase over the February 1939 exports of $1,372,572.

Receiving sets exported last February numbered 45,056 valued at $7320417, compared with February 1939 exports of 32,419 valued at $704,409.

Radio tubes exported last February totaled 654,968 valued at $240,894, compared with February, 1939, exports of 402,859 tubes valued at $173,947.

Parts and accessory exports total $558,511 this February as compared with $329,748 in February, 1939.

Loud speaker exports numbered 27,667 valued at $36,067 this February as against 17,621 speakers valued at $29,104 in February, 1939.

Transmitting apparatus exported last February was valued at $206,575, against $135,364 in February, 1939.

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TRADE NOTES

The entire thirty-ninth floor of 521 Fifth Avenue, New York, has been leased for a long term of years to Transradio Press Service, Inc., now located at 342 Madison Avenue, where it began its existence in one small office room in 1934. Occupancy will be taken May 1.

James J. Walker, former Mayor of New York City, has leased space in the International Building, Rockefeller Center, New York City, for headquarters of the National Association of Performing Artists, of which he is President. The purpose of the body is to protect radio, television and recording artists from unauthorized use of their recordings. It numbers among its officers Fred Waring, Paul Whiteman, Meyer Davis, Al Jolson, Frank Crumit and Don Voorhees.

A New York has asked the Federal Communications Commission about "regulations relative to rates which may be charged by standard broadcast stations for the use of their facilities". The Communications Act stipulates that stations engaged in program broadcasting are not common carriers. They are not subject to rate regulation as are common carriers such as the telephone and telegraph. Hence, the matter of charges is one resting between the stations and the sponsors.

Bills in the Kentucky and Virginia legislatures to prohibit radios in automobiles capable of receiving police signals have failed of enactment, according to information to RMA headquarters. Both died with the adjournment of the two State Legislatures, although the Kentucky bill had been favorably reported and reached second reading. Another Kentucky bill, to establish a State Electrical Administrative Board, died in the House, but the Virginia Legislature passed a bill to establish an "Electrical Administrative Board" to regulate and control the installation and alteration of electrical wiring, fixtures, appliances and equipment, the latter excepting automotive equipment.

The Federal Communications Commission still receives inquiries as to a "license for the operation of radio receivers". The answer, of course, is that no such Federal license is required.

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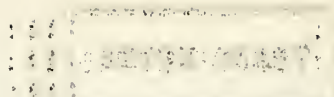

RCA EXHIBITS ELECTRON MICROSCOPE TO SCIENTISTS

The Radio Corporation of America last Saturday demonstrated a new and powerful electron microscope before the American Philosophical Society in Philadelphia.

The microscope was said to have a "useful magnification" of 100,000 diameters or more and was hailed as a new "eye" in the fields of biology and medicine.

Biologists present suggested that the instrument, ten feet high and weighing about 700 pounds, might open up new worlds now invisible to light and possibly bring into view for observation hitherto unseen filtrable viruses responsible for many human illnesses.

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PEARE SUCCEEDS LANG AT GENERAL ELECTRIC

Robert S. Peare, President and General Manager of the Maqua Company, a large printing and engraving concern affiliated with General Electric in Schenectady, has been named Manager of the Publicity Department of the General Electric Company. He will assume his new duties at once, succeeding Chester H. Lang, who becomes Manager of Apparatus Sales for the company.

In his new position Mr. Peare will also serve as Manager of Broadcasting for the company with responsibility for operation of its stations, WGY, Schenectady; KGO, Oakland and KOA, Denver, as well as international broadcasting stations WGEO, WGEA, and KGEI; frequency-modulation station W2XOY, and television station W2XB.

Mr. Peare, a native of Bellmore, Indiana, entered the employ of the General Electric Company as a student in the Accounting Department two months after graduating from the University of Michigan in 1922. The following May he was transferred to the Advertising Department where he remained until September 1, 1923, when he returned to the Statistical Section of the Accounting Department and a year later became Assistant to the Chief Statistician. In October, 1926, he was elected Secretary-Treasurer of the Maqua Company and three years later became General Manager. On January 1, 1934, he was elected President and has continued to fill these positions to the present time.

Mr. Lang joined General Electric in 1919 as a traveling auditor and has been Assistant Manager of the Publicity Department and Comptroller of the Budget. He organized the Company's Market Research Bureau in 1932.

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ALMONTE NBC HOST "AFTER HOURS"

Sponsors and advertising executives have been invited to visit NBC after hours and meet NBC's "official host" - Juan de Jara (John) Almonte, who is the major domo of nighttime operations at Radio City.

The invitation was extended by Roy C. Witmer, NBC Vice President, in a letter which accompanies a folder called "After Hours". In his letter, Mr. Witmer explains that it would be a swell idea if all regular NBC contacts could be on the job at all times, but that being impossible, that is where John Almonte fits into the picture.

"After hours", Mr. Witmer writes, "he's practically the National Broadcasting Company, as far as your needs and desires are concerned. Considering his experience, his years in the business and his close, daily touch with sales and program activities, you'll find his help a definite convenience. You ought to take every advantage of it."

The folder, illustrated with a picture of Mr. Almonte, gives his background and says:

"Perhaps if it were possible for a large organization such as NBC to capture and crystallize its personality in a single human being, John Almonte might reasonably assume that role."

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CHICAGO POLICE FIND F.M. SUPERIOR TO A.M.

Recent tests by the Chicago Police Department of the frequency modulation type of broadcasting developed by Maj. Edwin H. Armstrong of Columbia University have proved it superior to the amplitude modulation method and the department plans to install the new system for the 200 radios of its squad cars, according to a Chicago correspondent of the New York Times.

The tests were made under the supervision of Fred H. Schnell, radio engineer of the Chicago department, using a hand-constructed set built for the purpose by a radio concern of New York City.

The Federal Communications Commission has authorized experimental use of frequency modulation in police radio. The Chicago police force, so far as is known, is the first to avail itself of this method.

Mr. Schnell, with Police Commissioner James P. Allman's approval, decided upon the Chicago tests after F-M's adaptability to police squad car use was demonstrated by the General Electric Company in December in Schenectady, N.Y.

Two squad car tests of the F-M set were made on succeeding days last month. The first was on March 15, when a squad car carrying an Armstrong instrument broadcast from various parts of the city to the police receiving station on the roof of the forty-six-story Field Building.

The experiment showed static elimination surpassing all expectations, according to Mr. Schnell and Frank A. Gunther, chief engineer for the New York radio concern, who assisted in the test. This was true at "dead spots" from which reception is impossible with the amplitude modulation system now in use, they said.

F-M's superiority over A-M was again demonstrated in tests the next day when two squad cars, one carrying the new and the other the old type of instruments, were used, Mr. Schnell declared.

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CONSUMERS FOUND COOL TOWARD TELEVISION

An indication of consumer opinion with regard to television receiving equipment was provided by a study completed last week under the direction of Samuel E. Gill, market research analyst.

In interviews with several hundred families, all of whom have an income of $5000 or more, Mr. Gill said he found that price of equipment was the largest single deterent to immediate purchase for more than 55 percent indicated that they were not considering immediate purchase because of the expense involved or because they believed the price of receivers would drop in the near future. An interesting sidelight was developed when over 30 percent of this group indicated that they had no idea as to television prices, comparing the cost with the purchase of an automobile, a grand piano, etc.

One-third of those interviewed believed that television was not yet perfected enough to warrang an investment in a receiver. Sample comments of this group were:

Will buy when television is more widely used; Believe receivers will be changed; Not far enough advanced; Still in the experimental stage; Won't invest in an experiment; Will buy when large scale production only; When they are simplified enough for amateur use; Won't purchase until they are universally accepted.

A number of interesting comments were obtained from a group who gave miscellaneous reasons for postponement of purchase, such as:

Performance not up to expectation (had one); Not enough hours of broadcast; Can only get local programs; Don't want one now; Just bought a new radio.

The effect of the recent FCC ruling on consumer attitudes was slight, the survey showed inasmuch as less than 5 percent indicated that they would purchase sets if the Commission gave the receivers their O.K., Mr. Gill said.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

RECEIVED
WILLIAM KOSTKA
BROADCASTING COMPANY
LIBRARY
30 ROCKEFELLER PLAZA, NEW YORK

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No. 1229

FCC LOSES GENERAL COUNSEL AND AIDE; FRICTION DENIED

The Federal Communications Commission announced Thursday that William J. Dempsey, General Counsel, and William C. Koplovitz, Assistant General Counsel, have submitted their resignations for the purpose of engaging in the private practice of law, specializing in radio, in Washington. The resignations are effective at the convenience of the Commission.

Known as the "Little Corcoran and Cohen" team of New Deal lawyers, Messrs. Dempsey and Koplovitz denied a published report that they were quitting because of friction with the Commission and Chairman James L. Fly.

"Our relations with the Commission have never been better", Mr. Dempsey said.

Acting Chairman Thad H. Brown commented:

"It is with genuine regret that the Commission has received the resignations of General Counsel Dempsey and Assistant General Counsel Koplovitz. They are able, industrious, and conscientious young men with an exceptionally high regard for public service. Their going is a distinct loss to the Commission."

Chairman James Lawrence Fly, who is absent from the city, wired:

"The Commission is sorry to lose such valuable services to private practice." He credited Messrs. Dempsey and Koplovitz with expediting and simplifying Commission procedure, and particularly complimented them for their unbroken record of favorable decisions for the Commission in seven cases before the United States Supreme Court and in 29 cases before the Court of Appeals.

Mr. Dempsey and Mr. Koplovitz have "teamed" in Government service since 1933. Before joining the Federal Communications Commission legal staff, they were counsels to the Federal Power Commission and, before that, the Public Works Administration.

Mr. Dempsey was named General Counsel, after a brief tenure as Special Counsel for the monopoly investigation, at the height of the FCC "purge" conducted by Chairman Frank R. McNinch. Mr. Koplovitz became his aide about the same time in December, 1938. Mr. Dempsey succeeded Hampson Gary.

Despite their youth - Mr. Dempsey is 34 and Mr. Koplovitz is 30 - the attorneys have been singularly successful in defending appeals from FCC decisions both in the Court of Appeals of the District of Columbia and in the U. S. Supreme Court.

Under Mr. Dempsey's direction, the FCC Legal Division has won 7 cases and lost none in the Supreme Court and two are pending and has won 29 and lost none in the Court of Appeals with 9 pending.

Mr. Dempsey is the son of Representative Dempsey (D.), of New Mexico. At the time of his appointment to the FCC, he was reported to be one of the school of young New Deal attorneys sponsored by Thomas Corcoran, presidential advisor.

Mr. Dempsey was born in Brooklyn, N. Y., February 22, 1906. He received his elementary education in New York, his high school education in Oklahoma City and later attended Georgetown University from which he received his B.S. degree, cum laude in 1927, his M.S. degree in 1929 and his L.LB. degree in 1931. While attending Georgetown Law School, Mr. Dempsey was Assistant Professor of Mathematics at Georgetown College teaching Mathematics and Physics. Following his graduation from law school, Mr. Dempsey entered the private practice of law in New York, specializing in trial work. He entered Government service in 1933 as attorney for the Public Works Administration.

Mr. Koplovitz was born in St. Louis, May 30, 1909. He received his elementary and high school education in St. Louis, ranking first in his class, which won him a four-year scholarship to Washington University. He received his A.B. degree in 1929 with honors, was awarded a fellowship in Sociology and received his M.S. degree in 1930. He is a member of Phi Beta Kappa. He entered Harvard Law School in 1930 where his grades won him a scholarship during his first year. He was elected to the Legal Aid Society and graduated in 1933, cum laude. Like Mr. Dempsey, Mr. Koplovitz entered Government service in 1933 as attorney for the Public Works Administration.

Both men worked together as a legal team from the beginning of their government careers. In the Legal Bureau of the Public Works Administration they specialized in municipal financing and construction contract law and in June, 1934, both were made counsel to Administrator Ickes.

At the Communications Commission, Messrs. Dempsey and Koplovitz devoted themselves primarily to litigation. Both men were responsible for putting into effect the Commission's revised hearing procedure and were largely responsible for the issuance of the Commission's present rules and regulations in complete form.

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The warden of a State prison wants local radio stations to cooperate in broadcasting emergency information regarding escaping prisoners. The Commission has advised that, though the law prevents standard broadcast stations from being used for routine police work, there is no bar to news flashes containing information about escaping prisoners which may be of interest or concern to the general public.

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NO FCC ACTION ON TELEVISION OR FM BEFORE MAY

While the radio industry grows anxious over the delay in FCC decisions on television and frequency modulation, the Commission plans to take another vacation next week.

Chairman James L. Fly will not return to Washington from Texas before the middle or latter part of next week, and the Commission is expected to hold no full quorum meetings before the week of May 6.

Meanwhile, radio manufacturers are complaining that orders for new receivers are being held up because of the uncertainty of what the Commission will do about television and FM. Dealers are afraid to place orders for new radio receiving sets, it was said, until they know whether they are to include FM attachments and be able to be adapted to television reception.

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SUPREME COURT ALTERS SANDERS CASE DECISION

A slight change was made this week in the language of the Sanders Brothers radio station case decision, announced March 25 by the U. S. Supreme Court and since widely quoted with regard to the powers of the Federal Communications Commission.

The court wrote in the word "financially" into a comment on Congressional intent as interpreted by the tribunal and struck out another comment on Section 402(b)(2) of the Communications Act.

As revised the Court's decision reads:

"Congress had some purpose in enacting SS 402(b)(2). It may have been of opinion that one likely to be financially injured by the issue of a license would be the only person having a sufficient interest to bring to the attention of the Appellate Court errors of law in the action of the Commission in granting the license."

The Court then struck out the following sentence: "In this view, while the injury to such person would not be the subject of redress, that person might be the instrument, upon an appeal, of redressing an injury to the public service which would otherwise remain without remedy".

Left in the decision was the concluding sentence of the paragraph: "It is within the power of Congress to confer such standing to prosecute an appeal."

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NETWORKS PREPARE FOR FULL CONVENTION COVERAGE

Plans for the complete coverage of the Republican and Democratic Conventions this year, just announced this week, are a far cry from the feeble yet revolutionary broadcasts of the 1924 conventions when radio was still a baby.

NBC, CBS and MBS all released announcements simultaneously this week outlining their program for informing the radio public of developments at the convention almost as soon as they happen. Crack commentators and news analysts will be on hand. Microphones will be staged at every vantage point throughout the convention halls in Philadelphia and Chicago.

On the NBC-Red Network, H. V. Kaltenborn and Earl Godwin will follow the progress of the conventions. On the NBC-Blue Network will be heard Baukhage, Raymond Clapper, Washington columnist, and Lowell Thomas. Announcers assigned to convention coverage include George Hicks and Charles Lyons, spot news reporters, and Carleton Smith and Herluf Provenson, both of whom have acted as presidential announcers. Women's activities at both conventions will be covered by Ann Underwood.

At both Philadelphia and Chicago, the NBC convention staff will operate from a glass booth back of the speaker's platform, where a complete broadcasting studio setup will be installed. In addition, both convention halls will be connected by direct NBC wires with New York to carry last-minute developments in Europe to delegates and candidates.

Paul W. White, Columbia's Director of Public Affairs, has mustered the following analysts to give the radio audience informed reports on developments: Elmer Davis, Bob Trout, Albert Warner and John Charles Daly. Edwin C. Hill and Paul Sullivan also may participate in Columbia's coverage direct from the convention cities.

For the floor pickups, the most modern equipment devised by radio engineers has been planned. The CBS microphone for each State delegation will be connected by lines to a panel at the speaker's stand. From this "nerve center", engineers and technicians will survey the spectacle, punching buttons on an intricate board before them as various States answer the roll or participate in the proceedings. This will open the circuit to unit chairmen or their spokesmen.

For the Republican convention, arrangements provide for construction of an elevated Columbia broadcasting booth directly behind the speaker's platform. In Chicago, Columbia's main control booth is to be mounted over an arena-floor section of seats behind the speaker's stand.

Expected to head the combined staffs of the Mutual Broadcasting System's chain and four station affiliates - WGN, Chicago; WOR, Newark; WFIL, Philadelphia; and WOL, Washington - will be such names as Gabriel Heatter, one of the airwaves' best known voices; Arthur Sears Henning, chief of the Chicago Tribune's Washington bureau; Fulton Lewis, Jr., Mutual's nightly newscaster, Washington; Quin Ryan, veteran of radio convention broadcasts since the crystal set era; Wythe Williams, editor of the Greenwith "Time", and Dave Driscoll, special events director for WOR.

Elaborate technical set-ups are to be installed under the supervision of three Mutual network chief engineers - J. R. Poppele of WOR, Carl Meyers of WGN, and Arnold Nygren of WFIL - and Andrew L. Poole, Traffic Manager of the network.

More than 50 microphones bearing the banners of Mutual, CBS and NBC will be posted strategically inside both halls and upon the speakers' platforms so that each State Chairman will have his own microphone. Specially constructed radio booths will tower over the stages, with auxiliary studios and offices maintained directly beneath the main stages in both halls. Portable transmitters, capable of moving about through the crowds for interviews, will also be utilized. Parabolic microphones are to pick up background noises for atmosphere, while other specially installed mikes eavesdrop on band music.

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FCC EXPLAINS HOW TO GET A STATION LICENSE

In the face of complaints that the broadcast spectrum is already over-crowded, the Federal Communications Commission this week issued a press release on "Procedure Necessary to Establish a Radio Broadcast Station".

After explaining that the minimum power requirement is 100 watts, and that such a station can be built for between $5,000 and $8,500, the FCC statement adds:

"Any person, firm or corporation legally qualified may apply to the Commission for radio broadcast facilities in any locality . . . . .

"The time required for an application for a new broadcast station to go through the necessary routine varies with individual cases. In the case of a purely local station, where no interference is involved, the time can be as short as four to six weeks, providing that the application is accurately and completely filled out and all the required exhibits are appended. However, where interference and formal objection by other stations enter, a longer time is necessary."

The release also explains the procedure for holding hearings, testing equipment, etc., and explains the Commission exercises no jurisdiction over advertising rates on programs and charges no fees.

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SENATE TELEVISION TESTIMONY IS PUBLISHED

The Senate Interstate Commerce Committee this week released printed copies of the testimony of David Sarnoff, President of the Radio Corporation of America, and James L. Fly, Chairman of the Federal Communications Commission, before the Committee April 10 with regard to the Lundeen resolution.

Copies may be obtained from the clerk of the Committee until the supply is exhausted.

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MILITARY ORDERS DISRUPT NAZI RADIO INDUSTRY

Huge army orders for wireless equipment which have been placed with the German radio industry during recent months have necessitated swift and far-reaching changes in the production program, according to the American Commercial Attache at Berlin.

"Naturally, army orders receive first attention and the change to mass production for such equipment has already been completed", he reported. "At the same time, laboratory research is also being carried out primarily for military purposes.

"In the second line, the production program aims at filling export orders, although the part taken by exports in the total German radio production has never been large.

"The domestic market is scheduled to be supplied especially with small, high-capacity receivers, notably for supplying the requirements of repatriated Germans from the east. Incidentally, during the past few months, it has been virtually impossible to find new and large radio sets in German retail shops as the supply of such sets to the trade had been suspended during the reorganization of the industry for army production."

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150 SHIP RADIO OPERATORS CALLED COMMUNISTS

Charging that there are 150 Communists in the radio rooms of American ships, a Dies Committee witness asserted this week that the C.I.O.'s American Communication Association was under "99 per cent" Communist control, and that Mervyn Rathborne, its president, is a Communist.

One of the ships with a Communist radio operator, he said, is former Ambassador Joseph E. Davies' yacht, "Sea Cloud".

The witness, Fred H. Howe, testified that he had been ousted by an A.C.A. "goon squad" last year from his post as secretary of a marine radio union local.

Howe's allegation that the A.C.A. is under Communist domination brought an immediate denial from Rathborne, whom President Roosevelt last year appointed as adviser to the National Youth Administration.

In a statement issued in New York, Rathborne asserted that Howe had been expelled from the A.C.A. "after having been tried and found guilty of being an agent of the employers". The Does Committee, Rathborne, added, "clearly shows its union-busting hand once again" in providing a "public platform from which the vilest slander can be broadcast" against workers who believe in collective bargaining.

Chairman Dies himself stated that Howe's testimony as to Rathborne's alleged communism was based on "secondary evidence" which was admitted into the Committee's record only because of the Communist Party's refusal to make public its membership list.

The witness charged that the Communist Party had been able to place "probably 150 or more good members" as radio operators on American merchant vessels. In time of war, he said, they could "sew up" the ships and "help establish a Soviet system here."

Naming as communists several radio operators on Government and privately owned American ships and land stations, Howe included in his list George Stano, radio operator of Davies' yacht.

The former Ambassador to Russia, who is now Assistant to Secretary Hull, said that Stano had been employed as chief wireless operator on the "Sea Cloud" since 1934, is an "excellent operator" and "thoroughly trusted by his captain.

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NEW AMATEUR OPERATOR LICENSE EXAMINATIONS ORDERED

Effective July 1, 1940, the Federal Communications Commission will replace the amateur operator license examinations, which have been in use for several years, with new examinations consisting primarily of the multiple choice type of question which has proven so successful during the past year in the commercial radio operators license examination.

The class "A" examination will contain a maximum of forty advanced technical questions dealing mostly with radiotelephony. The class "B" and "C" examinations will contain a maximum of fifty questions, of which approximately thirty will be technical and twenty regulatory and law questions. The code requirements remain unchanged.

The multiple choice type of question is usually answered by the insertion of a number in the space provided and the entire examination can be completed in a very short time. The FCC believes that this type of examination, in addition to greatly reducing the examination time, will also reduce the elapsed time for grading and issuance of the license and will provide better sampling of the applicant's knowledge by the increased number of questions without making the examination more difficult.

A study guide containing "paraphrased" questions which cover the field of all questions asked in the actual examinations will be released by the FCC at an early date.

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BRITISH POSTPONE RADIO RELAY DEVELOPMENT

It has been officially announced that the scheme proposed by the British General Post Office for a radio relay service has been postponed until after the war. The American Commercial Attache at London reports that the reasons for the decision are cost and the fact that the scheme would absorb too many skilled technicians who are needed for the services.

In the House of Commons recently a member asked the Post master General "what progress has been made in respect of the Government's proposed broadcasting relay service by telephones; when such service will be available to the public; and whether he is now in a position to give particulars of the proposed changes to be made to telephone subscribers for the installation and maintenance of the necessary additional apparatus?"

In reply Major Tryon, the Postmaster General, stated: "On June 16, 1939, I gave the House some details of a scheme for the distribution of broadcast programs over telephone lines; and I expressed the hope that my Department would be able to take the first step by introducing such a service about the end of the year in Central London, and in Edinburgh, Birmingham and Manchester.

As the House is aware, the outbreak of war resulted in heavy demands being made on the telephone service for defense purposes, while at the same time many members of the engineering staff were withdrawn for services with the forces. The preparations for the new wire broadcasting service were necessarily delayed, and the question arose whether it would be desirable to proceed with the scheme or to postpone it. After full consideration of this question in all its aspects, the Government has reached the conclusion that the advantages likely to be derived from the introduction and development of the service under present conditions would not be sufficient to justify the diversion of capital and skilled labor from other war-time activities. It has been decided, therefore, to postpone the introduction of the service until the end of the war."

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TRADE NOTES

World radio market series reports issued this week by the U. S. Bureau of Foreign and Domestic Commerce included: Brazil (regulations), Malta, Brazil (regulations), and Uruguay.

Opposing viewpoints on the continuance of WNYC, New York City radio station, was expressed Wednesday by Harold Riegelman, counsel for the Citizens Budget Commission, and H. V. Kaltenborn, radio news commentator, at a public hearing before the Council Committee investigating the station in City Hall.

Mr. Kaltenborn defended the station as an aid to public education in the city. He said the city might as logically close its school system. He told the Committee that he was "shocked" by Mr. Riegelman's argument for abolition of the station as a city-supported agency.

Jerry Danzig has been appointed Director of WOR publicity, Alfred J. McCosker, President of WOR, announces. In taking over this post Danzig leaves his present position as Commercial Program Manager. He succeeds G. W. (Johnny) Johnstone, who recently announced his resignation to become Director of Radio for the Democratic National Committee.

With foundations completed and brickwork rising rapidly, all indications are that the new transmitter building of NBC station WEAF, at Port Washington, L.I., will begin operation in September, according to a report issued this week by Raymond F. Guy, NBC Facilities engineer. The new WEAF transmitter, being erected at an approximate cost of $280,000, embodies the latest technical developments. Its new location, selected after several years of exhaustive study of all possible sites in the Metropolitan area, is expected to produce the strongest signal of any radio station in the New York area.

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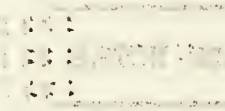

DRUGS, TOILET GOODS BIGGEST NBC ADVERTISER

The drugs and toilet goods industry, with a total expenditure of $4,186,616 for the first quarter of 1940, an increase of 13.4 percent over the 1939 figure of $3,691,116, led all other advertisers on the National Broadcasting Company networks for the first three months of this year.

In second place was last year's leader in the first quarter, the food industry, which expended a total of $3,543,777, a decrease of 17.4 percent over the 1939 outlay of $4,291,744.

Most sensational rise in expenditures occurred in the tobacco industry, which displaced laundry soaps and cleaners as the third leading advertiser on NBC. The tobacco outlay for the first quarter of 1940 hit an all-time high of $1,759,748, an increase of 92.9 percent over the 1939 total of $912,256.

Manufacturers of laundry soaps and cleaners also increased their expenditures sharply, marking up a figure for the first three months of $1,735,744, an increase of 30.6 percent over 1939's total for the period of $1,329,319.

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PUBLISHERS SEEN AS UNION OF RADIO AND PRINTING PRESS

The American Newspaper Publishers' Association this week in New York City considered the possibilities of union between the radio and the printing press, according to the New York Times. More than 500 editors, publishers and business managers attending the Association's fifty-fourth annual convention at the Hotel Waldorf-Astoria learned from their Radio Committee that newspapers now had a proprietary interest in one-third of all licensed radio stations.

The Committee's report, presented by its Chairman, J.S. Gray, of The Monroe (Mich.) Evening News, declared that while radio as a medium had become "a powerful commercial entity, an inevitable gravitation associates it increasingly, and in many of its best uses, with newspaper operation." The moderate cost of the new frequency modulation system, the report added, offered inducement for the establishment of stations in smaller communities.

Paul Bellamy, editor of The Cleveland Plain Dealer, said: "But I am ready to accept them, the gentlemen the radio, as partners", when he presented the report of his Committee on cooperation of press, bar and radio. He added:

"We can agree on pretty much everything except the use of cameras and microphones in court. It remains to be seen what can be done about that."

John S. McCarrens, Vice President and General Manager of The Cleveland Plain Dealer, in his address as President of the Publishers, referred to Gutenberg's movable type and said:

"And it remained the fastest method until the invention of the electrical devices of communications, such as the telegraph, telephone, radio, facsimile and television. It has been our good fortune thus far to marry these miracles to the printing press."

The radio report cited an increase of fifty in the number of the standard radio stations in the last year, the largest increase since 1937 when there were fifty-three new stations. It noted an increase in the volume of sponsored spot news broadcasts and "concurrent rises of newspaper circulations" described as "most gratifying and no doubt significant."

The possibility that 90 percent of standard stations now licensed might change to new frequencies when modulated frequency is put into effect by the Federal Communications Commission was mentioned in the report, which added:

"Included among the applicants for frequency modulation licenses in the lists published to date are, The Chicago Tribune, The Detroit News, The Worcester Telegram, The St. Louis-Star-Times, and The Winston-Salem Journal. The Milwaukee Journal is now operating under frequency modulation license.

"Facsimile experimenters hope that frequency modulation will open new prospects to that medium inasmuch as facsimile can be broadcast simultaneously with programs from the new type transmitter. Otherwise, exploitation of facsimile appears to have further receded during the last year."

Mr. Bellamy, for his committee, reported progress toward cooperation among the press, bar and radio and said: "We children of the printing press are also the children of God in the responsibility we bear and the opportunity we possess. And we know it well. Trust to say, the radio knows it, too, though the radio is a young child in the kingdom, by the rite we might describe as infant baptism. In other words, it yet has to prove itself on the stricken field as our great ancestors in the printing business have done, and as we believe we are doing.

"The only real problems in the hard assignment you have given this committee is the difference of opinion between the bar on the one side and the press and radio on the other.

"We hope to receive shortly some likely evidences of a new faith from the bar. There is to be a meeting in this city April 26 of the four committees engaged in this enterprise, namely, those of the American Newspaper Publishers' Association, the American Society of Newspaper Editors, the National Association of Broadcasters and the American Bar Association."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.
RECEIVED
MAY 1 - 19
WILLIAM KOSTKA

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No. 1230

April 30, 1940

ECONOMIC HURDLES STILL BLOCK TELEVISION, SAYS McDONALD

Television is still "just around the corner for stock salesmen only", Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, told the annual convention of Zenith wholesale distributors in Chicago this week.

No progress has been made within the last year and a half in clearing the economic hurdles, Commander McDonald said. Yet he added that there is nothing wrong with television that money can't cure and predicted that when a means is found for financing adequate television programs it will constitute a great industry.

Commander McDonald indicated that in his opinion the public will demand the equivalent of motion pictures which now cost the movie producers $200,000 an hour and are sold to the public through the theatres at less than ten cents an hour per person. Advertisers haven't that much money to pay for public entertainment, he said.

Commander McDonald stated that Zenith Radio Corporation is making progress on its experiments in putting television over the telephone wires. This would offer an economic solution because the programs could be paid for, he said. He stated that the corporation has not only been operating a television transmitter since more than a year ago, but is also operating a frequency modulation transmitter located on the Chicago Towers Club Building, which is on the air 16½ hours every day. He did not elaborate on any of the other three new products but definitely stated that regardless of rumors to the contrary, the Zenith Radio Corporation is not manufacturing nor does it intend to manufacture or market refrigerators, washing machines or any other products not allied with radio.

Zenith plans to introduce four new radio products this year. As a consequency, for the first time since he entered the business in 1920, Commander McDonald predicted that the unit of sale will be going up rather than down. The only one of these products he discussed at length was Maj. Edwin Armstrong's new invention, frequency modulation radio reception, which he indicated Zenith would introduce as soon as the Federal Communications Commission sets the standards for the width of the band that should be used by this service and the wave lengths which will be made available to it.

He pointed out that Zenith will sell no frequency modulation receivers until these two standards are set because frequency modulation sets produced and sold at this time might become

obsolete in six months if the standards adopted by the Federal Communications Commission are different from those now in use. Nevertheless, he emphasized his opinion that frequency modulation has none of the economic hurdles of television and stated that Zenith is licensed by Armstrong and is ready to go ahead with F-M for the public when the standards are fixed by the FCC.

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PROGRAM COMPLAINTS SHOULD GO TO STATION, SAYS FCC

Because it has had to answer more than 600 radio program complaints from listeners within the last three months, the Federal Communications Commission this week issued a general information release suggesting that listeners should address their protests and comments on performers or programs to the station or network involved.

"Such 'fan' mail wields considerable influence in broadcasting policies", the FCC release explains.

These 600 complaints during the past three months ran the gamut from objecting to radio advertising to protesting certain performers or their utterances. Many complaints had to do with the dropping of certain radio programs. In the case of one speaker, 129 letters were received in his behalf.

"Most of this correspondence seems to be due to a mistaken idea that the Commission has authority to pass judgment on radio artists and programs", the FCC said. "It is expressly prohibited by law from censoring individual radio programs. It can take action only in cases involving use of obscenity and lotteries.

"The determination as to who shall appear on programs is a matter resting solely with the particular broadcast station. Broadcast stations have the duty of serving public interest, convenience, and necessity. In carrying out this obligation they have the duty of making provision for well-rounded rather than one-sided discussion of public questions. However, the duty of serving the public interest does not imply any requirement that the use of broadcast facilities shall be afforded any individual or group. The Communications Act declares that a broadcast station is not a common carrier, hence the station may refuse or permit the use of its facilities as it sees fit. By the same token, the station can give free time or charge for time. No standard tariffs apply to broadcast stations."

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HOUSE MAY PROBE SUPER-POWER; CLEAR CHANNEL THREAT SEEN

Coincidental with a report that the Federal Communications Commission is considering a plan of frequency reallocations which would have the effect of breaking down the clear channels, Congress prepared to inquire into the FCC's ban on super-power broadcasting before adjourning.

Chairman Lea, of the House Interstate and Foreign Commerce Committee, scheduled tentatively a hearing on the Larrabee resolution for mid-May. The resolution recommends that the FCC look further into the possibilities of super-power operation with the aim of authorizing experimental of "one or more stations to operate on power of more than 50 KW."

Representative Sweeney (D.), of Ohio, who several times has attacked the FCC for stopping Station WLW, Cincinnati, from operating with 500 KW. experimentally, is expected to be one of the main witnesses before the Committee.

The breakdown of the clear channels would be brought about by issuing licenses to local stations in small towns on the same frequencies, according to one published report.

Elimination of the clear channels may have international complications, it was pointed out. Under international agreements, particularly the recent North American agreement, with its Nation-wide shift of frequencies the latter part of the Summer, the United States may have up to 32 clear channels.

On the other hand, if these clear channels are broken down by permitting other stations on them, the opinion within the Commission is that other countries signatory to the agreement may also move in on these channels and cause such interference and atmospheric havoc that none will get good service. Some even see possibilities of such havoc as to bring a demand for governmental operation of radio. Such a possibility is viewed with considerable alarm, because it would provide the opportunity for complete domination of this means of mass communication by any party in power.

The question has been raised as to whether distribution of clear channels to small local stations would result in better service. The people in these towns would have a radio station, it was explained, but by reason of its own limitations and interference, which would seriously restrict its coverage area, it might not attract sufficient advertising income to pay its expenses.

Through putting such a program into effect, it was said, approximately 40,000,000 rural listeners would be denied the high type of programs which they have been enabled to get for the last 12 years over the clear channel station service.

At present each clear channel station is given freedom from broadcast interference within the boundaries of the country. It was done to permit rural listeners to obtain good reception, and the demand for it is said to be growing as electrical power is being more readily available in these areas.

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PRICE DISCRIMINATION IN TONE CONTROLS CHARGED

Charging price discrimination in violation of the Robinson-Patman Act in the sale of radio volume and tone controls, the Federal Trade Commission has issued a complaint against Globe-Union, Inc., 900 East Keefe Ave., Milwaukee, manufacturer of storage batteries and radio accessories.

The complaint alleges that the respondent corporation sold its radio tone and volume controls at widely varying prices, discriminating in price between certain radio manufacturers and accessory jobbers.

It is alleged that the respondent sold controls to Belmont Radio Corporation and Wells-Gardner & Co., Chicago radio set manufacturers, at prices ranging from 10 to 20 cents each, and that it charged radio accessory jobbers for products of like grade and quality prices varying from 36 to 72 cents per control.

The jobbers, it is alleged, then sold the Globe-Union, Inc., tone and volume controls to dealers (radio repairmen) at prices ranging from 60 cents to $1.20.

It is alleged that Belmont Radio Corporation and Wells-Gardner & Co., who sell radio sets to Montgomery Ward & Co., Inc., resold the controls they purchased from the respondent corporation to the Chicago mail order house at prices ranging from 12 to 24 cents a control, and that Montgomery Ward & Co., Inc., distributed these products in the same territories and places as, and in competition with, the dealers who purchased the respondent's controls from jobbers.

The effect of the discriminations, according to the complaint, has been and may be to destroy and prevent competition with Montgomery Ward & Co.

The complaint points out that during 1938 the respondent company sold more than 2,600,000 tone and volume controls to radio manufacturers for original equipment of radios, and in excess of 500,000 tone and volume controls for replacement or original equipment.

The complaint grants the respondent 20 days for answering the charges.

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LET FM AND TELEVISION GROW TOGETHER, RCA SUGGESTS

The Radio Corporation of America last week suggested to the Federal Communications Commission that television and frequency modulation be allowed to develop simultaneously in a brief filed as a summary of its testimony in the FM hearings.

At the same time RCA asked that new space be provided in the spectrum for FM and that television be left undisturbed in its No. 1 channel, which FM broadcasters had requested.

Describing FM as "an evolution and not a revolution", whereas television is a "revolution and offers to the public sight in addition to sound", RCA attorneys Manton Davis and Frank W. Wozencraft asked the FCC not to disturb television channel No. 1 in the 44-50 mc. band. FM Broadcasters, Inc. has petitoned the FCC to set aside that band for 200 kc. wide-swing FM broadcasting (Armstrong system) whereas RCA has advocated narrow-band transmission.

RCA argued in favor of allocation of the 42-44 mc. band, providing 2,000 kc. for FM. It pointed out that 25 channels of 80 kc. width or 50 channels of 40 kc. width could be supplied, after holding that better service could be provided with the lower swings than with the 200 kc. band sought by FM proponents.

"Certainly, for the present, these two megacycles would provide all the channels which are needed for FM, for the reception of which the public must buy new equipment" the brief stated. "According to the president of FM Broadcasters, Inc., Mr. John Shepard, 3d, the transition from standard band broadcasting will take ten years. This is the statement of an enthusiastic proponent of FM. While all of us have high hopes for the future of FM, no one can now predict with assurance the extent or rapidity of its growth."

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SWEDEN BUYS S-W TRANSMITTERS FROM U.S.

Sweden's official Telegraph Board has ordered two new short-wave transmitters for sending radio messages to the United States and other countries outside Europe, according to the United States Commercial Attache in Stockholm. These transmitters will have a transmitting power of 40 kilowatts and will cost $60,000.

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BBC NOTES CESSATION OF TELEVISION WITH REGRET

With obvious regret that the war has halted television broadcasting in London, the British Broadcasting Corporation in its 1940 handbook, recently released, bids "Au Revoir" to television and expresses the hope that it will be resumed promptly when hostilities are ended.

"Television would, of course, have been the ideal 'black-out' entertainment. It is sad to think of the thousands of receivers now standing idle, of their disappointed viewers, and of the many skilled research and other workers in the television field diverted from their tasks. Many of the purely physical obstacles which had seriously impaired the service during the first two years had been eliminated in October 1938. In 1939 the range of program material was continually being broadened, and experiments made. More obvious to viewers, perhaps, was the consistent improvement in pictorial quality due to the use of improved equipment and to advances in operating technique. Technical advances of special importance had been made in the field of outside broadcasts; BBC engineers had, with the ready cooperation of the Post Office, found means of extending the use of cable links, and the radio link had been improved by the delivery of a second mobile transmitting unit and by the completion of a relaying station at Swains Lane in Highgate. More was to come. Plans had been made in anticipation of Christmas to increase and alter certain transmissions and to devise specialized programs, as a result of a questionnaire. There had even been the hint of agreement to a first regional relay station, an advance of major importance now likely to be pioneered not by Great Britain but by our American friends, who on 8 November announced preparations for the simultaneous radiation from Schenectady to NBC television programs transmitted from the Empire State Building, 130 miles away. The brightness of the outlook for British television in the summer heightened the general sense of disappointment at its unavoidable discontinuance when war came.

"Television had survived a number of setbacks in its short history, but by general consent it was due for a 'boom' in the months following the 1939 Radiolympia. The prospects seemed encouraging after a long and uphill struggle. The radio manufacturers had brought down the price of receivers and were giving remarkable value for money. Their enthusiastic campaign was receiving support from the public. Then on 1 September the Television Service closed down. The end came so abruptly that there was not even time for an 'au revoir' to viewers. Nor was it expedient at that time to give reasons in the Press or elsewhere. How harsh this decision must have seemed to those who had just bought receivers can easily be imagined. Yet they wrote - many of them - most sympathetically, while letters from old-time viewers were touching in their friendliness. Let it now be said that television closed down not because of the cost and shortage of staff, nor to difficulties with artists and transport, formidable as such obstacles would certainly have become, but for defense reasons.

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TRADE NOTES

With the establishment last week of the NBC International Division in one central office, all sections of the short wave division are consolidated for the first time since the National Broadcasting Company began its international broadcasting service. In addition to locating all 38 employees of the International Division in the same office, a special studio on the same floor has been set aside for the Division's use. Heretofore, it was necessary to write the copy in the sixth floor offices and then go to the fifth floor for broadcasts.

The following table gives the changes in advertising activity for March as compared with February and a year ago, published in Printers' Ink last week:

	Percentage Change From	
	Feb. '40	March '39
Weekly magazines	+ 1.4	+12.9
General monthlies	- 3.7	- 6.0
Women's service magazines	+17.9	+ 4.8
Direct mail volume	....	- 5.7
Radio advertising	- 5.5	+10.2

Daily broadcasts of food prices in New York City over WNYC were sufficiently valuable to justify continuance of the city radio station, William Fellowes Morgan, Markets Commissioner, said in a letter to Councilman Charles E. Keegan, Chairman of the Council Committee investigating the station.

Rockefeller Foundation, in line with its interest in radio, has given Harvard $24,000 "to help establish a lectureship in broadcasting". To this lectureship Harvard has appointed Charles A. Siepmann, formerly of the British Broadcasting Corp. Also in the field of radio is the Foundation's grant of $84,500 in 1937 and 1939 to the School of Public and International Affairs of Princeton for a study of the role radio plays in listeners' lives.

Printed copies of an address made by Maj. Gen. James G. Harbord, Chairman of the Radio Corporation of America's Board, on "The Decentralization of Relief" at the University of the South, Sewanee, Tenn., April 17th, were being distributed by RCA this week.

John F. Royal, NBC Vice-President in Charge of Programs, will take off for South America, Sunday, May 12, to complete final details of the concert tour by Arturo Toscanini and the NBC Symphony Orchestra during June and July.

The Danish Naval Authorities have issued warnings to Danish fishermen that they should not use their radio senders when in the neighborhood of mine fields because it has been found that such senders have induced electrical currents of sufficient strength to cause mines to explode. The warnings have been published in the press and put up in writing on all the leading fish auction halls.

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PROMPT FCC ACTION ASKED ON FM PLEA

The Federal Communications Commission was urged to act "as soon as possible" on allocations of frequency assignments for frequency modulation so that sales to the normal replacement market can proceed with assurance, by FM Broadcasters, Inc., in a brief filed last week.

Summing up the case for FM, Philip G. Loucks, chief counsel, asked full commercial privileges for the medium. Permitted to develop on a regular commercial basis, he predicted, FM would have an evolutionary rather than a revolutionary effect upon broadcasting in the present band. FM will supplement service now being rendered and will not exclude service now given in the present broadcast band so there will be no immediate obsolescence of receiving sets. The transition period may require ten years, he predicted.

Total number of applicants for FM facilities reached 121 as of April 25, with the FCC still receiving them at the rate of two or three a day.

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The Federal Communications Commission is in receipt of a letter from a resident of an Iowa town stating that there is no public telephone service locally available. As a matter of public interest, the Commission requested the local telephone company to look into the situation.

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NETWORK TELEVISION SEEN WITHIN YEAR BY NBC

More programs for the televiewer and the beginning of regular transmissions of National Broadcasting Company radio-vision programs over an established network are seen as developments of the next twelve months by Alfred H. Morton, NBC Vice-President in Charge of Television, this week in an anniversary review of television's first year of regular service.

"In television's second year, with the cooperation of televiewers both present and prospective, we expect to have our NBC programs radiated regularly by a new NBC station in Philadelphia and by the General Electric Company transmitter near Schenectady", said Mr. Morton. "And, provided television is granted a status of at least limited commercialization, thus opening the way to more help from advertisers, it is entirely probable that NBC may expand our present five-day television week into one of seven days.

"The first year of television broadcasting has seen our schedule rise from about five hours a week to sixteen hours. Under limited commercialization we might anticipate another rise to twenty or more hours a week.

"During the first year of television we have telecast more than 200 individual programs in cooperation with advertisers and advertising agencies.

"These programs, presented in cooperation with eighty different advertisers, represented every major American industry. They totaled more than 10% of our program hours for the first year. If limited commercialization is permitted in television, I have no doubt that this percentage will show a rapid and considerable rise."

The immediate future in NBC's television programming, it was indicated by Morton, will see additional outside telecasts and probably the presentation of a considerable number of NBC radio network programs, particularly those which have proved to be most popular with studio audiences at Radio City. Both of these prospective additions will be made possible through the use of NBC's second unit of mobile television equipment.

Television's development in the United States, Mr. Morton continued must include the active participation of the televiewer. NBC's audience poll is based on a program mailing list of more than 2,000 names of receiver owners.

Comparison of the NBC list with lists of known set owners, added Mr. Morton, indicates that the total number of receivers in the metropolitan area is more than 3,000.

The first birthday of television broadcasting in America will be celebrated Wednesday, May 1, with a gala two-hour program, to include appearances by stars of stage, motion pictures and radio. The telecast, scheduled to begin at 8:30 P.M., will be seen and heard over Station W2XBS.

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McDONALD 45 MINUTES AHEAD OF WRECKED TRAIN

Commander Eugene F. McDonald, President of the Zenith Radio Corporation, Chicago, and a former Syracusan, arrived in Syracuse, N. Y. April 19 aboard the Wolverine from Albany, the New York Central train that runs 45 minutes ahead of the ill-fated Lake Shore Limited Express. He just chanced to reach Albany from Vermont in time to board the earlier train, he said.

Commander McDonald had been in New York City to attend a television meeting of the Radio Manufacturers' Association. He had promised his nephew, Eugene McDonald Kinney, of Buffalo, that he would visit him at Vermont Academy if the youth qualified to enter Dartmouth next fall. The student telegraphed his uncle that he had been accepted being one of the two lucky ones out of a class of fifteen, and the Chicagoan stopped off overnight at Albany and motored to the academy at Saxton's River, Vt., passing part of the day there with his nephew.

"Intending to stop off in Syracuse to say hellto to everybody, I just got the first available accommodations", he said. "The Wolverine is scheduled out of Albany at 8:53 P.M., and the Lake Shore at 9:36. I was shocked on learning of the wreck to the train I might have taken, you can well imagine."

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WESTINGHOUSE AND NBC TERMINATE CONTRACT

Westinghouse Electric and Manufacturing Company and the National Broadcasting Company this week announced that the existing arrangement for the supplying of radio broadcast programs for Stations KDKA, KYW, WBZ, and WBZA, will be terminated as of July 1, 1940.

Hereafter, the Westinghouse radio stations will take network service from NBC under the standard form of affiliated network agreement. Westinghouse will itself handle all functions incident to the operation and programming of the stations including commercial activity and local programming. NBC will act as sales representative for the sale of national spot time.

Westinghouse was a pioneer in the development of radio broadcasting and the present step is in conformity with the desire and intention of Westinghouse to remain identified with the broadcasting industry. The new arrangement will leave in the hands of Westinghouse as heretofore all matters connected with the operation of the stations and in addition Westinghouse will conduct all programming and commercial activity.

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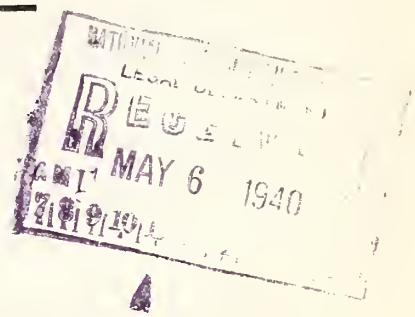
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



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No. 1231

HEAVY AGENDA FACES FCC WHEN RECESS ENDS NEXT WEEK

Following a three weeks' recess, the Federal Communications Commission next week will again have a quorum and will tackle one of the heaviest agendas of unsettled problems it has had for many months.

The first meeting has been scheduled tentatively for May 7 at which time the more pressing matters will be discussed, but in view of their importance it is not expected that they will be decided at once.

FCC policies as to television development and the future of frequency modulation are being awaited anxiously by the radio industry so that manufacturers can begin making sets in accordance with FCC standards on both transmissions.

The FCC also faces the task of passing upon a reallocation of about 90 percent of the nation's 825 broadcasting stations to bring the United States into compliance with the Havana Treaty by late Summer or early Fall.

The long-delayed monopoly report is still pending before the FCC as unfinished business, but the prospects that it will be passed upon before Congress adjourns are remote.

The Commission also must select successors to William J. Dempsey, General Counsel, and William C. Koplovitz, Assistant General Counsel, who have resigned to enter private practice as soon as their jobs are filled.

The FCC has been at a virtual standstill since the conclusion of the second television hearings in mid-April. Only Commissioners Craven and Brown have been on hand to pass upon routine business.

Chairman James L. Fly went to Texas on a combined business and pleasure trip; Commissioner Walker went to the Pacific Coast to conduct hearings; Commissioner Thompson took a vacation; and Commissioner Payne returned to Texas to hold further revocation hearings. Commissioner Case has been ill several weeks in his Washington home.

As for television, indications are that the FCC will insist upon flexible transmission and reception. One current report is that the Commission may accept "temporary" standards of 507 lines and 30 frames, as proposed by the Radio Corporation of America at the close of the hearing.

Whether the FCC will decide to retain the status quo insofar as television channel allocations are concerned is the knottiest of the FM-television problems. Television now has seven channels, each 6,000 kc. wide, below 108 mc. FM wants television channel No. 1 ranging from 44-50 mc., which, together with the range from 42 to 44 mc. would give it a sweep of 8 mc., or 40 channels of 200 kc. each, to accommodate Armstrong wide-swing FM, and develop the new "static-free" broadcast service over an estimated 10-year transitory period.

The FCC engineers have devised some 15 possible solutions, on paper, for the FM-television allocations problem, but it is doubtful that any one would satisfy either faction entirely, and that some compromise will be developed. The key apparently is the willingness of the Government services, administered by Interdepartment Radio Advisory Committee, to contribute space it is not fully utilizing in the adjacent ultra-high bands. For example, the Government band 40 to 41 mc. might be allotted.

The standard broadcast reallocation, on paper, is slated for August 1, to which date all broadcast licenses have been extended. But it is next to impossible to meet that deadline, because of the diplomatic as well as procedural preliminaries which must be hurdled prior to the setting of the changeover date. It is expected now that Canada, Mexico, Cuba and the United States will finally agree on a continental "radio moving day" to occur about December 1st. The matter of putting into writing the "gentlemen's agreement" reached with Mexico, whereby six channels will be given that country on a guaranteed basis outside the terms contemplated in the treaty itself, remains to be accomplished at a meeting likely in Mexico City.

Rumors that several of the Mexican border stations due to be abolished with the actual promulgation of the treaty allocation, would be accommodated in some fashion, are emphatically refuted at the FCC and the State Department.

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JAPAN TO CELEBRATE INTRODUCTION OF WIRELESS

In commemoration of the 70th and 40th anniversaries, respectively, of the establishment of telegraph and wireless facilities in Japan, the Communications Ministry has decided to hold a "Communications Festival" in November, the U. S. Department of Commerce reports.

Among the many programs planned in celebrating the occasion are included the erection of commemorative monuments on the sites of the original telegraph and wireless offices. Ten years after Samuel Morse invented the telegraph, it was introduced to Japan by Commodore Perry. Most of the officials of the Bakufu (Federal Government) were under the impression that the new invention was an apparatus which transported mail suspended from wires.

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MARITIME RADIO TELEPHONY ARRANGEMENT WITH CANADA RENEWED

The Federal Communications Commission announced this week that its temporary arrangement with the Department of Transport of Canada, relative to the use of radio frequencies for short-distance maritime telephony, which expired March 31, 1940, has been renewed in modified form effective May 1, 1940, to continue in effect for an indefinite period.

This arrangement was modified in cooperation with other interested departments of the United States Government and, specifically, is part of an informal regional agreement adopted on October 21, 1933, by representatives of the Federal Radio Commission and the Canadian radio administration, as an aftermath of the North and Central American Regional Conference of Mexico City in 1933.

The new plan makes effective upon a regular basis the use of a common "calling-answering" frequency (2182 kilocycles) for voluntary use in the marine radiotelephone service on the Great Lakes, primarily to promote the safety of navigation on these waters and to expedite radiotelephone communication in times of emergency and distress. Many United States and Canadian vessels, as well as several life-saving stations of the United States Coast Guard and public service shore radio stations of both countries, have been equipped to communicate by telephony on this frequency. The agreement provides that this facility is available also to ships of other countries when in the Great Lakes area. Such ships normally carry English-speaking pilots while being navigated on these waters.

Prior to the adoption of this common "calling-answering" frequency, it was not possible for these various groups of radiotelephone stations to directly communicate with each other. In addition to the obvious advantages obtained by this standardized "contact" frequency, the new plan will provide a second radiotelephone "channel" for public coastal-harbor service in the vicinity of New York, N. Y.; will standardize and somewhat simplify ship radio-telephone apparatus on the Great Lakes; and is expected to minimize interference and improve the quality of service on these lakes.

The changes, which become effective at once, represent the second modification of the 1933 regional agreement. The first revision occurred in the early part of 1939 in response to a resolution sent to the Honorable C. D. Howe, Minister of Transport of Canada, and to Federal Communications Commissioner Thad H. Brown, by the American and Canadian vessel owners at a joint informal meeting of commercial and government representatives at Montreal, Canada, on January 9, 1939. In response to this resolution, several informal discussions have since been held by representatives of the Department of Transport of Canada,

the Federal Communications Commission, the United States Coast Guard and other interested Government departments, radio station licensees, and vessel owners. These discussions led to the temporary plan which was in force on a more or less experimental basis from March 31, 1939, to March 31, 1940, and to the present refined arrangement which is effective from May 1, 1940, until the need arises for further changes, unless previously renounced by either of the two governments concerned.

The frequency bands covered by the new plan presently provide the sole means of ship-shore and ship-to-ship telephone communication over short distances (up to 150 miles) for more than 2000 vessels of this country and for several hundred Canadian vessels. The Commission is advised that 385 vessels are now subscribers to the ship-shore service in the New York area and that the number of messages handled at that point in 1939 was 11,684, or four times the number handled during 1938.

The existing rules of the Commission pertaining to ship and coastal services are in accordance with the modified regional arrangement. However, it will be necessary for ship and coastal-harbor stations operating in the New Orleans, Louisiana, and Ocean Gate, New Jersey, areas to have their frequency assignments changed by not later than August 1, 1940, to conform to the revised allocation in the 2100-2210 kilocycle and 2500-2600 kilocycle bands. Since the regional arrangement refers only to the voluntary use of radiotelephony, it is not inconsistent with the objectives of the Great Lakes survey (conducted under Section 602 (e) of the Communications Act of 1934) and does not conflict in any way with the U. S. Ship Act of 1912, as amended.

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RADIO AUDIENCE "I.Q." DECLARED HIGH

Concrete evidence that radio audiences may have a level of intelligence much higher than that with which they are usually credited was released recently by the University of California's School of Education. The data was obtained from a radio intelligence test conducted on the University Explorer program by Dr. Frank N. Freeman, dean of the school.

The average score of 2,331 persons who took the test was 29. By comparing the radio tests with carefully standardized scales, it was determined that average intelligence was represented by a score of 24 - 5 points below that of the radio audience. Expressed in I.Q.'s standard intelligence index, the score of the radio audience was 110. Normal, or average, I.Q. is only 100.

"It seems clear that the people who took this test are a superior group of persons", Dr. Freeman said. The high average,

he indicated, may be accounted for by the fact that an abnormally large percentage of the audience consisted of those in the professional and higher business groups.

Dr. Freeman said that he plans to give another test on the Explorer program, possibly late in the Spring.

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WHAT FLY SAID ABOUT "REGIMENTING" TELEVISION

A statement of Chairman James L. Fly, of the Federal Communications Commission, with regard to "regimenting" the television industry during the hearing before the Senate Interstate Commerce Committee recently caused considerable comment and interpretation. Here is exactly what Chairman Fly said, according to the printed transcript.

Senator Lundeen (Farmer-Labor), of Minnesota, had accused Senator Reed (R.), of Kansas, of being in "favor of regimentation" when Mr. Fly resumed:

"Because I want you to know that if Congress has placed that duty upon us, as I have explicitly explained and read the duty here, to the extent of regimentation, then the answer is, 'Yes, we are going to regiment it', and if you do not want us to regulate those experimental frequencies, and if you do not want us to take the responsibility for fixing those transmission standards, and you want to let the thing run hog wild, or whatever you want to do, that is your discretion, but today that is duty upon us."

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BBC ADOPTS NEW POLICY ON NEWS BROADCASTS

"The British Broadcasting Corporation has been advertising for new announcers", the Radio Times reports. "Those who get the jobs will take their part in a new scheme that we have been hearing about from John Snagge, who has been in charge of announcing since the war began. Snagge, who began his own BBC career as an announcer nearly fifteen years ago, is all for the personal touch in introducing programs, but not in reading the News. So he plans to separate the two jobs to the extent of having one force of announcers whose job it is to introduce programs, and very often compare them, and a second force of newsreaders, who will specialize in the News."

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RADIO ALLOCATIONS DESCRIBED BY THE FCC

The radio spectrum, or radio waves, is but one portion of the total electro-magnetic spectrum, the Federal Communications Commission points out in an informational release. The electromagnetic spectrum covers eight different classes of radiation - electric waves, radio waves, infra-red, visible light, ultra-violet, X-Rays, gamma rays, and secondary cosmic rays.

"The emission of this energy may be likened to the expanding ripples of water suddenly disturbed by a thrown stone", the FCC said. "However, electromagnetic energy travels in all directions.

"Since electromagnetic radiations have a common speed (that of light), their only difference is in frequency and wave length. 'Frequency' may be characterized as the number of these waves per second, and 'wave length' as the distance between successive waves.

"The divisions between the various classes of electromagnetic radiations are not definite. The lines of separation are based largely upon the effects and the particular method of producing the various emissions. Under certain conditions, some of these electromagnetic impulses may be seen, felt, or heard. Of the eight classes of electromagnetic radiations, that portion classed as 'radio waves' covers a relatively small part of the total electromagnetic spectrum.

"Radio facilities are extremely limited. In order to provide the maximum possible service for the benefit of the public, it is necessary to control and restrict the use of the available channels. As transmission by radio waves spans great distances, it has been found necessary to have international agreement on the proportion of available channels to be allocated for particular services. To prevent interference and confusion within our own country, it is necessary to further apportion the frequencies in the best interests of users.

"Besides the standard broadcast channels, our radio spectrum is shared by other primary services, such as: fixed, marine aviation, emergency, amateur, miscellaneous, experimental, Government, and broadcast services other than standard broadcast. These general service allocations cover various classes of station, including: relay, international broadcast, high frequency broadcast, non-commercial education, facsimile, television, point-to-point telephone and telegraph, agriculture press, coastal, telegraph and telephone, ship, aircraft, aeronautical, blind landing systems, airport, municipal and State police, marine fire, forestry, geological, mobile press, motion picture, amateur phone, telegraph and television, as well as experimental classes of stations."

The present useful radio spectrum, in which channels are now allocated, ranges from 10 to 300,000 kilocycles, or in terms of wave lengths, from 30,000 meters to 1 meter. That portion below 100 kilocycles is popularly referred to as "long waves"; from 100 kilocycles to 550 kilocycles as "medium long waves"; from 550 to 1600 kilocycles as "broadcast"; 1600 to 6000 kilocycles as "medium short waves"; 6000 to 30,000 kilocycles as "short waves"; and above 30,000 kilocycles as "very short" or "ultra-short waves".

The band below 100 kilocycles is occuped by Government and commercial long wave fixed service stations.

From 100 kilocycles to the beginning of the broadcast band at 550 kilocycles, we have the medium long wave stations, as follows:

100 to 200 kilocycles - Government and private ship, coastal, and fixed service stations.

200 to 400 kilocycles - primarily Government aids to navigation, such as radio navigation for aircraft, and radio beacon service to ships, interspersed with airport on 278 kilocycles, direction finding on 375 kilocycles, and miscellaneous fixed stations.

400 to 550 kilocycles - Government and commercial ship and coast stations in the maritime service centered near the international calling and distress frequency of 500 kilocycles (600 meters).

The rest of the spectrum from the end of the "broadcast" band at 1600 kilocycles, involving the so-called "medium short", "short", and "ultra-short" wave bands, could be pictured as a many layered sandwich, with police, amateur, aviation, Government, ship, coastal, broadcast, mobile press, special services, experimental, television, fixed, forestry, and all other classes of stations providing varying depths of filling.

"Of course, this does not mean that all these bands are completely filled, the FCC concludes. "Radio communication is still undergoing change, and the Federal Communications Commission, in licensing individuals and firms to use the public's radioways, is charged with preparing for the future, as well as for the present. Hence, some channels are held open for future developments, while others already allocated, are subject to shift with changing events."

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"PIRATE" RADIO STATION LOCATED BY FCC INSPECTOR

The Federal Communications Commission Inspector in Charge at New York reports tracing and locating, at Passaic, N.J., an unlicensed radio station which had been a nuisance to and interfered with authorized broadcast programs.

The operation of this outlaw station was unique, in that it used frequencies assigned to regularly licensed stations and, in an attempt to make detection more complex, faked the call letters of regular stations using these channels. At one time it operated on 900 kilocycles, the frequency allocated WBEN at Buffalo, and employed those call letters. More recently it usurped the call letters of the Hartford Times radio station - WTHT, 1200 kilocycles, at Hartford, Conn.

In general, this "pirate" station broadcast phonograph recordings. Such unauthorized operation was quickly detected, and there was early complaint, but the task of tracing the culprit took a little time. The usual methods of detection were employed, that is, records were made of the illegal programs and subsequent bearings and measurements of the field strength eventually brought the investigators to an address on Monroe Street, in Passaic.

By this means the Commission feels that it has obtained sufficient evidence to secure indictment for violating Sections 301 and 318 of the Communications Act.

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ASCAP DONATES $2,500 TO OPERA FUND

The American Society of Composers, Authors and Publishers this week donated $2,500 to the fund seeking $1,000,000 for the purchase of the Metropolitan Opera House and to aid the widening of the base of interest in opera. In an accompanying note, Gene Buck, President of the Society, wrote:

"No one living has a more sympathetic understanding or a deeper appreciation of what grand opera means to our people than myself. With this check go the wishes of our society and myself that your campaign will be blessed with success."

George A. Sloan, Chairman of the drive, disclosed that a study of the source of gifts "demonstrates that opera has a very wide and diverse field of supporters", adding, "the response to our appeal has clearly demonstrated that opera in America is universally appreciated."

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TRADE NOTES

Thirty radio stations headed by WMCA, New York, and WCFL, Chicago, launched the first of a new series of transcribed programs featuring "The Blue Beetle", the Robin Hood type character that is already popular nationally through newspaper syndication and in two comic magazines having a circulation of 2,500,000 monthly.

Howard Barlow, conductor of the Columbia Broadcasting Symphony, has been unanimously voted a Certificate of Merit as the "outstanding native interpreter" of American music of the 1939-40 season by the National Association for American Composers and Conductors. Presentation of the award is to be made tonight (Friday, May 3,) at the Association's annual reception at the Waldorf-Astoria Hotel in New York City.

Gross network revenue for the NBC networks for April, 1940, hit an all-time high, with the total figure of $4,041,518 showing an increase of 13.5 percent over the April, 1939, figure of $3,560,984. The record-breaking April revenue, which continues this year's individual monthly increases over 1939, brought the gross revenue figure for the first four months also to a new, all-time high of $16,883,154, an increase of 8.8 percent over the comparable 1939 January through April figure of $15,514,431.

Gross billings for time on the Columbia Network - prior to deductions for agency commissions and time discounts to sponsors -- totaled $3,322,689 during April, 1940. The April figure brings the four-month cumulative total for 1940 to $13,742,432.

Amateurs in Japan are mainly scholars and others carrying on research work in collaboration with the Department of Communications and the Japan Broadcasting Corporation, the American Commercial Attache, at Tokyo, reports. They are usually affiliated with the Japan Amateur Radio Society, with headquarters in Tokyo. Estimates as to the total number of amateurs in Japan Proper vary between 1,000 and 1,200. A select few are licensed to carry on short wave experiments, but the licenses for this purpose are granted only to those whose political views are entirely in accord with the existing order. Regular short wave reception is prohibited in Japan.

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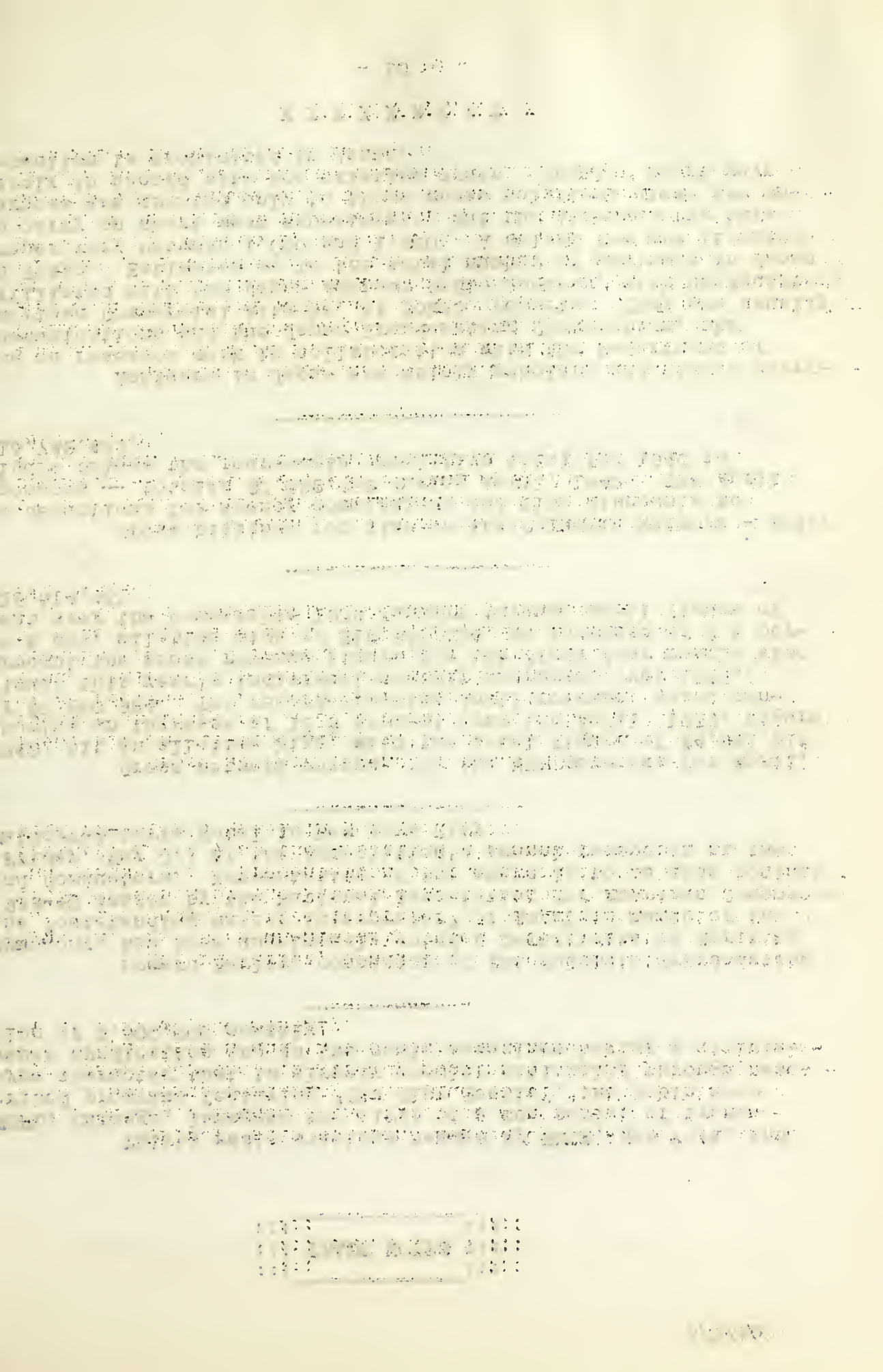

PAGE GIVES HINTS ON IMPROVING PUBLIC RELATIONS

Arthur W. Page, Vice President of the American Telephone & Telegraph Co., recently gave some valuable hints for executives of the radio industry as well as other industries for improving public relations.

Mr. Page is a son of the late Walter Hines Page, wartime U.S. Ambassador to Great Britain and a brother of Frank Page, Vice-President of the International Telephone & Telegraph Corporation. His remarks were carried in the April issue of "Long Lines", an organ of employees of the Long Lines Department of the A. T. & T., New York City.

"All business begins with the public permission and exists by public approval", he said. "The public permission takes the form of charters, licenses and legal authorizations of one kind or another. Public approval is generally represented by reasonable profits, reasonable freedom of action and a few kind words. A lack of public approval is expressed in a good many ways - laws, regulations, commission rulings, investigations, public hostility and, most vital of all, by a lack of patronage.

"The purpose of public relations is to deserve and maintain public approval. Business has always had relations with the public. Business has always attended to this aspect of its job with varying degrees of success. In the days of little business, a man running an enterprise in a small community instinctively felt that he must get on well with the neighbors - which is public relations. But the larger units of modern business in the last generation or two have brought the problem of the contact of business with the general public more into the limelight. It is harder to get on with neighbors constituting a national market than those neighbors who live within a horse and buggy radius.....

"Public relations, therefore, is not publicity only, not management only; it is what everybody in the business from top to bottom says and does when in contact with the public. Anybody in the business can help sell his livelihood down the river or help build it up. In the telephone business and the railroad business, which are retail businesses, most of the contacts with the public are made by the operators, linemen, installers, repairmen and people in the commercial offices; and by freight solicitors, station agents, train crews, sections gangs. These people are the telephone business and the railroad business to most of the public and what they do and say constitutes a large part of public relations.. . . . . .

"The public is one of the most whimsical masters that anyone ever saw. The business must be prepared to meet new aspects of public opinion which arise at any minute. Not only that, but the public may have three or four opinions at once. We have been questioned by one group for having too much debt; by another for not having enough; by one group for not hiring old people,

and by another for not hiring enough young ones. At one time the public would be censuring us for building ahead of the depression, and another group for not doing so.....

"Adjusting a big business to a democracy is operating it in the public interest with good humor, reasonableness and politeness. If this is done with some skill and some luck it ought to work out. There are hazards enough to make it exciting, rewards enough to make it worth while, and always the chance that if it succeeds we may be helping to make a little better country to live in, as well as a more satisfactory life for ourselves. For, after all, one of the great satisfactions of life is to serve the public of one's time and generation in a way that commands its respect and liking."

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FOOD AND FOOD BEVERAGE LEADS CBS ADVERTISING

The Columbia Broadcasting System, whose billings for the first quarter of 1940 recorded a new high in network history, reports that the food and food beverage industry led all other CBS classifications in 1940 as in 1939. Following food and food beverages, drugs and toilet goods, cigarettes and tobacco, and laundry soaps and household supplies ranked in that order in expenditures on the Columbia Network during the first quarter of 1940, keeping the same positions as last year. These "big four" advertising industries increased their volume of advertising on CBS 32.6% in this period over the same period last year.

The food and food beverage industry, the leader on CBS, spent 69.9% more in the first quarter of 1940 than in the same period last year; 25% more than the industry spent on any other network. Drugs and toilet goods increased their CBS billings this year by 14.8%.

The tobacco industry spent more money on Columbia in the first quarter of 1940 than on any other network. It represented an increase of 11.6% over last year's figure and maintains the industry in third position in total expenditures on CBS, being responsible for 14.8% of the total billings.

The "big four" of radio advertisers is completed by the laundry soaps and household supplies group, which increased its total expenditures on CBS second only to food and food beverage, jumping 16.2% over last year.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CBS BROADCASTING
GENERAL LIBRARY
30 ROCKEFELLER PLAZA
RECEIVED
WILLIAM KOSTKA

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May 7, 1940

LUNDEEN RENEWS FCC ATTACK; FLY PROMISES QUICK ACTION

Senator Lundeen (Farmer-Labor), of Minnesota, renewed an attack on the Federal Communications Commission in the Senate Monday for delaying a decision in the television controversy as the Commission prepared to take up the matter the latter part of this week.

Chairman James L. Fly, just returned from Texas, stated at a press conference on Saturday that the FCC will adopt a policy with regard to the future operation of television within two weeks and will act on frequency modulation not later than a week afterward.

The Commission was said to be awaiting the return to Washington of Commissioner Frederick I. Thompson, who has been on a vacation.

Senator Lundeen told the Senate he wanted "to protest in a very few words against the delay in the matter of the FCC decision on television".

"We have read much in the press in these last days on that subject", he said. "There is much unemployment in the television industry and much idle capital. I do not see why there should be long extensions of time for filing briefs, and why officials who have the power to decide should be absent. Great Britain is progressing after nearly 4 years of television. Germany is in the front ranks of television. We have made considerable progress in this country, and I think we should go ahead with it.

"Mr. President, may I at this time draw attention of the Senate and the people of the United States to the apparent unconcern of certain people to the deplorable unemployment situation in this country today. I know there is considerable controversy over just how many unemployed people we have, but the fact that the President asks a tremendous sum for relief is ample evidence that the situation is deplorable. You cannot laugh off 12,000,000 unemployed.

"Late in March I was astounded to read that the Federal Communications Commission had far exceeded its authority in arbitrarily stopping the development of the television industry, because some members of the Commission did not like certain advertising copy placed in New York newspapers. I thought it was a very flimsy excuse, and when I read a score or more of editorials condemning this bureaucratic seizure of power, I thought the best way to secure intelligent action was to have the Senate look

into the matter. Accordingly, I introduced a resolution April 1 asking that the Senate Committee on Interstate Commerce investigate the actions of the Federal Communications Commission in connection with the development of television and, in particular, to ascertain whether the Commission exceeded its authority and whether it had interfered with the freedom of the public and of private enterprise.

"That same day I learned in the press that the Chairman of the Federal Communications Commission, James Lawrence Fly, was to deliver an address the next night over the National Broadcasting Co. red network and the Mutual Broadcasting System. I listened to that address and, frankly, it did not give me adequate reason for this unusual action by the Commission. I had read in the newspapers where one of the Commissioners, the Hon. T.A.M. Craven, had dissented from this action by the Commission, and so I addressed a letter to him and asked him if he would give me his reasons. I considered it an official communication from a United States Senator to a member of a Commission the Congress had created.

"Commissioner Craven replied to me, and from his communication I was more than ever convinced that the action of the Commission, in stopping the development of television was entirely unjustified.

"On Monday, April 8, the Interstate Commerce Committee met and spent an entire day considering the resolution. At that hearing the president of one of the manufacturers of television sets said that television would surpass sound broadcasting with a billion-dollar turnover, as compared to $600,000,000 in present-day radio. He said that television would pave the way for more than 500,000 jobs. A small manufacturer approached me after the hearing and told me that in his case he would put 60 men to work at once if the Commission lifted its ban.

"The hearing was adjourned the next day when Commissioner Craven was unable to attend because the Commission had reopened hearings on the television situation, and that afternoon President Roosevelt stated in a press conference, according to the newspapers, that the situation would be adjusted later this Spring, or this Summer. I have since learned that when the hearings before the Federal Communications Commission were adjourned on Friday, April 12, some of the interested parties asked permission to file briefs and the Commission granted them 2 weeks for this purpose.

"Now here was the situation in brief -

"Thousands of men could be taken into private employment at once and eventually a half million men could be given jobs if a bureau here in Washington would abandon an entirely illegal and arbitrary position. So far as legality is concerned, the F.T.C. has the authority to supervise advertising and not the F.C.C. The chairman of the Interstate Commerce Committee said publicly that

the various factions involved could get together and give this promising industry the green light.

"Now, everyone at all connected with television was here in Washington. They could have prepared their briefs in 48 hours and had intelligent action by the Commission immediately. Instead of that, so as to accommodate a few attorneys and perhaps because the chairman of the Commission was leaving on a vacation trip, all these jobs in private industry were held up for weeks. I think it was ridiculous, for I believe Chairman Fly should have stayed on the job, ordered the attorneys to get their briefs in by the following Monday morning, and have a decision out of the Commission that very day.

"I know that in trying to get away from the barrage of criticism for its arbitrary action, the administration dragged in a red herring by talking about the delay being necessary to prevent monopoly. . . .

"I take the time of the Senate today to demonstrate such tactics, and I do so in behalf of the unemployed men and women who could be working at jobs in private industry today if Chairman Fly had stayed on the job and the wishes of a few attorneys were not respected when it comes to the matter of filing briefs. I am frank to confess that it is very confusing to me that this administration can ask for such a tremendous relief appropriation, while at the same time bureaucrats keep people out of work. I think the unemployed throughout the land should know this, and I am sure that I am speaking for the men and women of American who want jobs, not charity, when I demonstrate it and demand that President Roosevelt communicate with Chairman Fly, get him back on the job where he belongs in this crucial period, and insist that the throttling burden of bureaucratic pettiness be lifted from the back of private industry. Half a million jobs are involved, and it is time for action."

Senator Lundeen placed in the record the report of the FCC of February 29, 1940, the order of March 23, 1940, reopening the inquiry, together with editorials attacking the FCC's action.

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NBC TELEVISION FLASHES FROM N.Y.C. TO CHICAGO

A new American record for long-distance television reception was announced last week by the National Broadcasting Co. Images flashed from the top of the Empire State Building, New York City, by Station W2XBS were picked up in Chicago, 717 air miles distant. After 16 minutes the sound and image disappeared although the program continued in New York City for 11 additional minutes.

Reception normally is limited to within 90 miles of the Empire State transmitter, NBC said. Engineers said the phenomenon was due to a "sporadic layer" in the upper atmosphere which "bounced" the waves back.

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TELFORD TAYLOR APPOINTED GENERAL COUNSEL OF FCC

The Federal Communications Commission on Monday announced the appointment of Telford Taylor as General Counsel, to succeed William J. Dempsey upon the latter's entering private practice. Mr. Taylor, who is a Special Assistant to the Attorney General, will join the Commission's legal staff immediately as Special Counsel. Mr. Dempsey will remain with the Commission for several weeks.

Born at Schenectady, N.Y., on February 24, 1908, Mr. Taylor attended local schools and was graduated from Williams College in 1928 with an A.B. degree. He taught history and political science at Williams for two years, receiving his M.A. degree in 1932. In that year he was graduated from Harvard Law School with the degree of LL.B. cum laude, having served on the editorial board of the Harvard Law Review. He was appointed law secretary to Judge Augustus N. Hand of the Circuit Court of Appeals, New York, from 1932 to 1933, when he became Assistant Solicitor of the Department of the Interior.

From 1934 to 1935 he was senior attorney of the Agricultural Adjustment Administration and handled much of its legislative work. For four years he served as associate counsel of the sub-committee of the Senate Committee on Interstate Commerce, investingating railroads and railroad finances. Since October, 1939, Mr. Taylor has been head of the Court of Claims section of the Claims Division of the Department of Justice.

Mr. Taylor has appeared in cases in the District of Columbia Court of Appeals and also in the United States Supreme Court. He is married.

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SUPREME COURT TO REVIEW CBS-KSFO LEASE CASE

The U. S. Supreme Court on Monday granted the Federal Communications Commission's petition for a writ of certiorari to review the decision of the U.S. Court of Appeals for the District of Columbia in reversing the FCC ruling barring the lease of Station KSFO, San Francisco, by the Columbia Broadcasting System.

Involved in the litigation is the extent of the power of the FCC to govern the terms of the lease of a broadcasting station to a network. The FCC held that the terms of the lease were in conflict with the Communications Act, whereas the Appellate Court found otherwise.

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U. S. ELECTRICAL EXPORTS ADVANCE 22.4 PERCENT IN MARCH

With radio apparatus in the advance ranks, the largest monthly volume of electrical equipment exports in many years was shipped abroad from the United States in March. It was valued at $12,971,734, an increase of $2,374,391, or 22.4 percent, over the February total of $10,597,343. A still greater advance was evident in a comparison of the trade during March of this year and the corresponding month of 1939, the increase amounting to $2,964,765, or 29.6 percent.

Foreign shipments of electrical equipment totaled $34,342,876 during the first 3 months of the current year compared with $24,672,867 during the corresponding period of 1939, an increase of $9,670,009, or 39.2 percent.

Among the leading items in the March advance were radio, refrigerator and wire products. Exports of radio receiving set exports improved from $730,417 in February to $1,073,925 in March; those of transmitting sets and apparatus from $206,575 to $243,953; radio receiving tubes from $240,894 to $305,925; and receiving set components increased to $592,832 from the February total of $509,008.

A considerable advance was made in foreign sales of electric household refrigerators when sales increased from $681,259 in February to $1,034,792 in March. Exports of commercial refrigerators, up to 1 ton capacity, registered a smaller increase from $93,275 to $137,614, as did shipments of parts for electric refrigerators which improved from $407,436 to $433,623.

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SENATE TO TAKE UP WALTER-LOGAN BILL

Ignoring a plea by Senate Majority Leader Barkley for postponement, the Senate Judiciary Committee on Monday voted unanimously to speed action on the Logan-Walter bill permitting court appeals from rulings of some 130 Federal agencies, including the FCC.

The action was interpreted at once as a major rebuff to Administration efforts to sidetrack the measure, already approved by the House.

The Committee selected a sub-committee to meet Wednesday, draft a few "perfecting" amendments and put the bill in final form for submission to the full Committee.

Senator Ashurst (D.), of Arizona, Chairman of the Committee said Senator Barkley presented "very ably" his arguments for postponement of action.

"But I asked each member of the Committee individually for his judgment on the matter. The Committee was quite militant

that we should not dodge this responsibility which the House, by passing the bill, had laid upon us. We will press forward and if any Senators don't like the bill they can vote against it."

Senator Ashurst expressed belief that many amendments will be offered when the issue reaches the Senate floor.

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TOBEY ASSAILS FCC FOR DELAY ON MONOPOLY REPORT

The Federal Communications Commission was attacked from a new quarter this week as Senator Charles W. Tobey (R.), of New Hampshire, criticized it for delaying the report on the monopoly investigation.

He released copies of identical letters sent to each member of the Commission and reading as follows:

"In November 1938, Chairman McNinch stated to the House Appropriations Committee that the Radio Monopoly Report of the Commission would be submitted to the Congress within sixty days.

"In June 1939, Commissioner Brown of the Federal Communications Commission appeared for the Commission, before the same Congressional Committee and said that the report would be ready for Congress within sixty days.

"In November 1939, Commissioner Fly of the Federal Communications Commission appeared and stated before the Congressional Committee that the Commission would make its report and recommendations within sixty days.

"It is now eighteen months since Congress was officially told by the Commission that its Radio Monopoly Report and recommendations would be 'ready in about sixty days'.

"I submit to you that, in the light of these facts, these assurances would seem to be nothing but a mockery. As a member of the Senate, interested in this matter, I ask you now as to the reasons for this delay and what you, as a member of the Commission, can do to have the report submitted to the Congress at once. An early reply will be appreciated."

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A Congressional quorum almost could be called in the NBC Radio City studios on Friday, May 23, when the National Broadcasting Company plays host to a party of Congressmen, their wives and children at a special broadcast and television show. The Congressional party, 300 strong, will arrive in New York on May 23rd for a four-day visit to the city and the World's Fair.

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G.O.P. ORGAN RAPS FCC TELEVISION DELAY

Following is an editorial that appeared in the April issue of "The National Republican, Washington, D.C.:

"Private enterprise gave the United States the locomotive, the telephone, the electric light, the automobile, the aeroplane, the radio. Today it is 'threatening' to give us television. But something has changed in the economic organization of our country since the radio was invented. Our Federal Government has stepped in to check up on all the processes of enterprise within the nation. It has become interested in what goes on everywhere within the industrial field, just as it is interested in everything which goes on within the areas of normal governmental activity. A new set of controls has been added to the tools of our Federal machinery. 'Regulation' of those industries which are connected with the 'public interest' was an invention of the political scientists of the 19th century. But complete 'control' of those industries is an invention of the New Deal.

"No better illustration of this new conception of the role of government with relation to industrial development could be asked than the recent exhibition of the Federal Communications Commission in its contest with the Radio Corporation of America. Every student of radio engineering is aware of the fact that RCA has spent more than $10,000,000 since its organization in developing and perfecting television devices and equipment. Its energy and resourcefulness are reflected in the tremendous number of television patents which have been recorded in its name. Between 65% and 75% of the basic television inventions have been developed in the laboratories of RCA.

"From its work, the Radio Corporation of America has produced television equipment which offers practical usefulness. It now proposes to market these devices, but there is clearly no intention on the part of RCA to pretend that it has written the last word in the development of television receiving and sending sets. It is certainly clear to everyone who might purchase one of these sets that the work is still in the experimental stage. No buyer of this equipment would assert for a moment that he was deceived into purchasing a relatively inadequate machine in the mistaken notion that he was buying a television model of 1960.

"But there is something wrong with RCA's methods, according to the standards of FCC. They object to the advertising and merchandising of RCA's television equipment on the ground that somehow, RCA is freezing television development at the present point of development to the detriment of the future. No more fantastic argument than this could be devised. So long as there is a vast market of purchasers untapped, just so long will television continue to grow. Radio, more than twenty years ago, produced the first simple receiving sets for home use. Yet radio did not stop developing because sets and parts were sold commercially. In fact, its tremendous improvements since that time may in all likelihood be traced directly to the impetus given by commercialization.

"If we had known an FCC in the days of Henry Ford's first models, and if we had given it power to control merchandising, we might not have our stream-lined motor cars of today. Can we argue for a moment that the sales of the early 1900 automobiles in any way impeded the development of later cars? Did they tend to 'freeze' the designing of engines and bodies at the 1900 level? Or did the demonstration of commercial practicability stimulate a tremendous increase in production, creating new rivalries in manufacture, producing an endless variety of engineering achievements?

"There is much to say in opposition to the wisdom of the FCC's stand. There is equally much to say of its right to adopt such opposition. Are the powers of the Federal Communications Commission so broad as to permit the check of advertising and merchandising practices? What are the functions of the Federal Trade Commission? Or is this only one new illustration of the New Deal's incessant over-lapping of functions, its duplication of effort, its readiness to interfere in legitimate business for no visible reason?"

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17 NEWSPAPERS APPLICANTS FOR FM PERMITS

Seventeen newspapers have made application to the Federal Communications Commission for license to operate a broadcasting station under the new frequency modulation system. One newspaper, the Milwaukee Journal, is already operating a station with this system.

The Radio Committee of the American Newspaper Publishers' Association, in its report to the convention recently, said:

"A feature of newspaper interest in connection with the claims made for frequency modulation is that the new system offers particularly favorable factors for the establishment of stations in the smaller communities. The relative low cost of transmitters and of maintenance costs, and freedom of the medium from other station interference are points emphasized in this connection."

The FCC reports the 17 newspaper applications to date. Not included in the list, but mentioned by the Radio Committee as having applied, is the Worcester (Mass.) Telegram.

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PRESS WIRELESS IMPROVES PHOTO TRANSMISSIONS

A new and improved method of transmitting photographs by radio will be put into operation at the Paris office of Press Wireless, Inc., the radio communications subsidiary of a group of leading American newspapers, within the next three weeks, according to announcement in Chicago by Joseph B. Pierson, president of the organization.

Equipment perfected in the United States by Press Wireless and WGN engineers after more than a year of experimentation had arrived in France, Mr. Pierson said. It was now being set up, and as soon as it was in operation it would be possible, he said, to send high-class reproductions of photographs from Paris to the Press Wireless station, Baldwin, L. I.

In the past all photographs transmitted by wireless have been more or less streaked with white or black lines and other blemishes. The striae and loss of detail, engineers long have known, are caused by three sources of radio phenomena, namely: selective fading, echo and natural static.

The effect of the "sweep circuit", as the new device is called, he said, was to make the transmission immune to such obstacles.

Experiments have been carried out between Baldwin and W9XDH at the WGN transmitter station near Itasca, Ill. Several hundred photographs were transmitted during the test period.

A sheaf of photographs showing the gradual improvement in the photographs were submitted by Mr. Pierson.

"Our work has been watched by wirephoto experts", said Mr. Pierson. "We've finally reached the place where we believe the quality of reproduction is superior to that obtained over present-day telephone wire circuits."

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BYRD EXPEDITION TO USE RADIOPHOTOGRAPH SERVICE

Pioneer use of radiophotograph transmission from the Antarctic, to relay pictures from Little America to the United States, is involved in the special temporary authorization granted Press Wireless, Inc., to communicate with the Byrd Antarctic expedition. A1(continuous wave telegraphy) and A2 (modulated continuous wave telegraphy) type emission will be used to control the pictures by air from the expedition base radio station, KTRK, to the Press Wireless point-to-point station at Hicksville, N.Y. The experiment is authorized for one month.

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TRADE NOTES

Owners of frequency modulation receivers in the New York are aill have a demonstration of FM's tonal possibilities on Wednesday (May 8) when a special program is aired over W2XMN, inventor Edwin H. Armstrong's FM station at Alpine, N.J., from 8:30 to 9 P.M. EST.

Hygrade Sylvania Corporation reports for the March quarter: Net income $267,290, equal, after preferred dividend requirements, to $1.13 each, on 207,184 shares of common stock.

A contest, for three titles of "Miss RCA Television", is to be telecast Thursday, May 9, beginning at 8:30 P.M., by the National Broadcasting Company over Station W2XBS. Popular vote of television receiver owners will decide which three girls will preside over the Radio Corporation of America's television demonstrations this Summer at the New York World's Fair of 1940.

James L. Fly, Chairman of the Federal Communications Commission, will pay tribute to the Susquehanna Emergency Network in a brief talk during a special CBS broadcast at 8 P.M.,EST, May 12. The program will originate from 4401 Leland Street, Chevy Chase, Maryland, where the transmitter and station of Roy C. Corderman eastern division coordinator of the S.E.N., are located.

Mutual Broadcasting System billings for April, 1940, totalled $359,947, representing an increase of 37.1 percent over a similar period in 1939, when billings reached $262,626. This is the highest Mutual billings for April in the history of the network.

Mutual's cumulative billings for the first four months of 1940 also was the largest in the network's history. 1940's figure totalled $1,406,138, an increase of 21.1 percent over 1939's first four months, when the figure of $1,161,285 was reached.

Station WKBB, Dubuque, Iowa, will join the National Broadcasting Company networks on Wednesday, May 8, bringing the total number of affiliated stations at that time to 187, it was announced today by William S. Hedges, Vice President in Charge of Stations. Licensed to the Sanders Brothers Radio Station, WKBB operates full-time on 1500 k.c. with power of 250 watts. It will be a supplementary outlet to the basic NBC-Blue Network.

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NEW LOUDSPEAKER CONE DEVELOPED BY RCA

Held to be one of the most important basic improvements in loud-speaker design in a number of years, a new type of "accordion edge" loudspeaker has been perfected by the RCA Manufacturing Company to reproduce low frequencies with a fidelity never before possible with a small speaker in a small cabinet. Although only seven inches in diameter, the new instrument has a frequency response of from 80 to 7,000 cycles.

The new loudspeaker makes effective use of a folded or "accordion edge" cone support principle which permits the cone to move more freely when driven by the permanent magnet speaker mechanism. The cone was developed by Dr. H. F. Olsen in the RCA Radio Research Laboratories at Camden.

"The new loudspeaker opens up many possibilities", George Ewald, Manager of the Commercial Sound Division, said. "It is certain to establish new standards of performance hitherto deemed impossible with a single small speaker. Schools, churches, hotels, clubs, and other places which require small but high quality loudspeakers will find this new instrument meets a long felt need."

Designated as Model MI-6233, the loudspeaker includes an attractive walnut wall housing with sloping baffle. The speaker mechanism is also available separately. It measures 7" in diameter, 4" deep and weighs 3 pounds.

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WOR TO MAKE CHANGES IN ANTENNA AT CARTERET, N. J.

Following authorization granted last week by the Federal Communications Commission, WOR will shortly make alterations in its antenna system at the Carteret, N.J., transmitting plant which houses WOR's giant 50,000-watt transmitter.

The alterations call for the elimination of the caternary, or third quarter wave radiator in the antenna set-up, which currently is supported by a wire between the two 385-foot antenna towers. The pattern of WOR's signal will not be materially changed by this new arrangement, except for a slight strengthening of east-west radiation. Using only the two regular towers will permit installation of separate feed lines to the base of each, with phasing equipment in the transmitter building.

The failure of either line will result only in continued operation at reduced signal coverage, as contrasted with the current arrangement whereby only a single feedline is employed. Its failure at present would put WOR off the air, although this has never occurred.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT RECEIVED MAY 11 1940

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RCA AND DuMONT CLASH AS FCC PONDERS TELEVISION

The Radio Corporation of America and the Allan B. DuMont Laboratories, Inc., clashed in briefs filed with the Federal Communications Commission this week as the FCC pondered what to do about television. No action by the Commission is expected before next week.

The RCA charged the attitude taken by DuMont in the recent television hearings "may not be without an impelling motive" in its brief.

"The motion-picture interests which are financing DuMont Laboratories have a much greater financial state in the movie industry than they have in television", RCA asserted, referring to the interest of Paramount Pictures in DuMont.

"Their recent interest in television is primarily for the purpose 'of protecting' their larger interest in the movie and theatre industry and not to develop the new art of television", it went on. "Therefore they desire the adoption of systems and methods that would make television inferior rather than superior to motion pictures.

"The interest in television on the part of DuMont Laboratories must be to serve those who find the working capital - Paramount Pictures, Inc. Regardless of any interest which Allan B. DuMont has personally, as a radio engineer, in the development of television, it is impossible to ignore the interest of Paramount Pictures, Inc., in the DuMont Laboratories."

In the hearings on television standards begun in April by the Commission, DuMont sought rules permitting flexibility in frames and lines as against standards of the Radio Manufacturers' Association.

The RCA statement was described as a "red herring" by Paul Raibourn, Treasurer of DuMont. The real issue, he said, is whether the consumer is to be served with "flexible standards and television sets which will not become obsolete too quickly".

"Paramount does not control the Allen B. DuMont Laboratories", he said. "The DuMont Company's sole request to the FCC has been to maintain flexible standards instead of the rigid ones proposed by RCA and the Radio Manufacturers' Association. Affiliates of Paramount Pictures in Chicago and Los Angeles have filed applications for television transmitting stations in their respective cities."

Mr. Raibourn is Treasurer of Paramount Pictures as well as Treasurer of DuMont.

Allen B. DuMont, President of Allen B. DuMont Laboratories, reiterated that the control of his organization is in his hands and that he formulates its policies.

"It doesn't make sense, that we in the television business would want to hold up television", he said. "For several years we have been trying to put up a station in New York, but only recently were we licensed to do so by the FCC. The Commission knows our position exactly. It is stated in our brief. We have no secrets."

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CIO RADIO UNION HEAD ATTACKS DIES

Mervyn Rathborne, President of the American Communications' Association, a C.I.O. affiliate, said this week that the Dies Committee is being utilized by employers to beat down powerful and successful labor unions "on the eve of contract negotiations with such unions".

Mr. Rathborne came to Washington to appear before the Committee at 1 P.M. on Wednesday.

The Dies Committee on April 24th recorded and publicized a great deal of phoney testimony from Fred H. Howe to the effect that the American Communications' Association was communist-dominated", Rathborne said. "The Dies Committee made no effort to seek out substantiation of Howe's wild assertions or to get the union's side of the picture. I had to demand to be heard by Dies and I hope the Committee will give me a fair chance to present our side.

"It cannot be mere coincidence that the Dies Committee attack on the American Communications Association comes on the eve of contract negotiations, on a nation-wide scale, between the ACA and the Radio Corporation of America and the Postal Telegraph Company."

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The Federal Communications Commission this week cancelled a hearing set on the application of William F. Huffman, of Wisconsin Rapids, Wis., for a construction permit and authorized him to build a new broadcasting station for operation on 1310 kc. with 100-250 watts power, unlimited time.

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JOSEPH L. RAUH, JR., APPOINTED FCC ASSISTANT GENERAL COUNSEL

The Federal Communications Commission this week announced the appointment of Joseph L. Rauh, Jr., as Assistant General Counsel, to succeed William C. Koplovitz. Mr. Rauh has resigned as Assistant General Counsel of the Wage and Hour Division of the Department of Labor to assist Telford Taylor who, on May 6, was announced to become General Counsel of the Commission, succeeding William J. Dempsey, who will enter private practice with Mr. Koplovitz.

Mr. Rauh was born at Cincinnati, Ohio, on January 3, 1911. Entering Harvard College in 1928, he was graduated therefrom magna cum laude in 1932. He enrolled at Harvard Law School, from which he was graduated at the head of the class of 1935. He was on the Harvard Law Review. From 1935 to 1936, Mr. Rauh was a member of the legal staff of the Securities and Exchange Commission. In 1936 he became law secretary to Associate Justice Benjamin N. Cardozo of the United States Supreme Court, serving in that capacity until the death of the Justice in 1938.

Joining the legal staff of the National Power Policy Committee, Mr. Rauh was thus engaged from July, 1938, to January, 1939, when he became law secretary to Associate Supreme Court Justice Felix Frankfurter. In March, 1939, Mr. Rauh became associated with the Wage and Hour Division of the Labor Department.

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G.O.P. CONVENTION TO BE DOUBLY TELEVISED

For the first time in history, television will broadcast pictures and proceedings of a National Convention when the Republicans convene in Philadelphia June 24th.

Chairman John Hamilton of the Republican National Committee announced this week in Washington that two television units of the National Broadcasting Co. and one of the Philco Radio and Television Corporation will televise the convention to an estimated 43,000 persons in six Eastern States. Mr. Hamilton said the Republican Party as "the party of private enterprise" welcomed the chance "to provide an opportunity for a new industry to stride forward in honest American fashion".

"It was but a few days ago that the New Deal, through its dominated Federal Communications Commission, struck vigorously at this very industry by bluntly commanding it to cease its efforts at merchandising", said Mr. Hamilton in a statement. "We of the Republican Party sincerely hope that public interest accruing to television by reason of its use at the 1940 Republican convention will more than offset the setback given this new industry by the New Deal."

The television companies estimated that 40,000 persons in New York, New Jersey, Connecticut, Rhode Island, Pennsylvania and Massachusetts in the NBC area will see and here the broadcast, as will about 3000 more in the Philco (Philadelphia) area)

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DUTCH FIGHT TO BAR U.S. RADIO IMPORTS BY JAVA

The American Trade Commissioner at Batavia, Java, reports to the U. S. Bureau of Foreign and Domestic Commerce that the Dutch radio company, N. V. Philips Gloeilampenfabrieken, of Eindhoven, has resorted to the courts to block the Javanese imports of American-made radio sets and is considering establishing a plant to manufacture sets and tubes in the Netherlands Indies.

The Java representative of Philips, according to the consular report, petitioned the President of the Court of Justice at Batavia a short time ago to grant a temporary injunction against the Association of Radio Listeners in the Netherlands Indies, (B.O.R.A.N.I.) Batavia, in connection with the importation by the Association of radio receiving sets of foreign origin, in this particular case, sets of American manufacture, but it was rejected on the grounds that this transaction by the Association was not of a commercial nature. Philips has appealed the case to Supreme Court.

"It had been previously reported that 23 American-made sets had been seized by the Customs authorities at Tandjong Priok (port of Batavia) but that they were passed after the tubes had been removed", the U. S. Trade Commissioner said. "This was the result of a civil suit brought against the Government by the Association. The tubes were sent to the Technical Laboratory of the Post, Telegraph and Telephone Service at Bandoeng at the request of B.O.R.A.N.I. and the instance of the Attorney-General to determine whether any of Philips' patent rights had been infringed by the manufacturer. Meanwhile, Philips' representative requested the President of the Court for an injunction prohibiting the defendant from distributing the receiving sets among its members or otherwise circulating them, the argument being advanced that this Association is operating on commercial lines when ordering and distributing radio receiving sets and/or parts. This case is consequently analogous to the N.I.R.A.V. case on which judgment was pronounced a short time ago. The Technical Laboratory reported recently that four Philips' patents are involved in the radio receiving sets, and seven in the tubes, in question.

"The Government of the Netherlands Indies, at the suggestion of the Office of the Procurer General, has instructed the latter to institute legal proceedings in cassation with the Supreme Court concerning old judgments - which became final in the lower courts - regarding the importation of radio receiving sets. A decision must be reached as to whether or not the importation of radio receiving sets ordered direct from manufacturers and/or dealers in foreign countries and intended for private use in this country is in violation of the Patents.

"Philips Gloeilampenfabrieken is reported to be considering the establishment of a factory in the Netherlands Indies for manufacturing radio receiving sets and tubes. This factory, which is to be established at Surabaya, is to be placed in operation in case war conditions impede the regular supply of these

articles to this market. If the stagnation in supplies is not considerable, the goods in question will be obtained, for the time being, from the Philips factory in Australia, which has an adequate production capacity. It is understood that the construction of a factory in the Netherlands Indies will be undertaken only as a last resource.

"There were 88,955 radio receiving sets licenses in force in the Netherlands Indies on December 31, 1939 as against 70,909 at the end of 1938."

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RAILROAD YARD RADIO COMMUNICATION TEST AUTHORIZED

Experiment in radiotelephone communication between the central control tower of a railroad freight yard and locomotives therein is proposed by the Central Railway Signal Company, of Proviso, Ill., which this week received authorization from the Federal Communications Commission for that purpose. The company was issued construction permits for two Class II experimental stations at Proviso, each to operate with 15 watts power, A3 transmission. One will use 300,000 to 400,000 kilocycles, and the other 35,460, 37,140, 39,140 and 39,540 kilocycles.

Such communication will be limited to the railroad classification yard. The messages to be transmitted will consist of orders relative to the classifying and sorting process in moving freight. The authorizations are for experimental purposes only. If the demonstration is successful, applications for operation on a permanent basis will be received from railroads interested in such service.

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LUBCKE GETS APERTURE PATENT FOR TELEVISION CAMERA

Harry R. Lubcke, Director of Television for the Don Lee Television System, has obtained U. S. Patent No. 2185640, which concerns the achievement of optical apertures for television use many times smaller than the physical apertures which are not utilized. Means are also shown in the patent application for insuring accurate time relation between synchronizing and image pulsations.

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ST. LOUIS RADIO PROBLEMS ELIMINATED BY FCC ORDERS

Serious and long standing problems involving radio stations in the St. Louis area are near solution as a result of a series of orders issued this week by the Federal Communications Commission.

The stations concerned are KSD, KFUO, KXOK, WGBF, KFRU and KWK. As a result of the FCC action:

KSD, St. Louis, will operate unlimited hours on 550 kc, with power of 5 KW day, 1 KW night, effective not later than July 1, 1940.

KFUO, St. Louis, will change from 550 to 830 kc., 1 KW day and night, local sunrise to sunset at Danver, Colo., effective not later than July 1, 1940.

KXOK, St. Louis, will change from 1250 to 630 kc., 5 KW, unlimited hours, with directional antenna.

WGBF, Evansville, Ind., will switch from part time on 630 kc. to 1250 kc., unlimited hours, 5 KW day, 1 KW night, with directional antenna.

KFRU, Columbia, Mo., will change from 630 kc. part time to 1370 kc. unlimited hours, 250 watts.

KWK, St. Louis, was granted a petition to reinstate application for permission to operate unlimited hours with 5 KW on present frequency, 1350 kc. It was granted a construction permit to cover directional antenna system subject to approval of the Commission. KWK's application for change to 630 kc. has been designated for hearing.

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SPAIN PROPOSES TO ESTABLISH RADIO TUBE FACTORY

The American Ambassador at Madrid has reported to the U. S. Commerce Department that the Ministry of Industry and Commerce proposes the establishment at Madrid of a new industry for the manufacture of radio tubes and similar commodities. According to the resume of a petition published through the Delegacion de Industria de Madrid, on behalf of Luis Figueras and Alonso Martinez, the new company, if approved, will have a capitalization of 4,000,000 pesatas. It will be necessary to import machinery and equipment for the new plant valued at 1,141,504 pesetas, and the annual imports of raw materials are estimated at 130,000 pesetas. Production is estimated, on an annual basis, to embrace the following products: 360,000 glass radio tubes; 240,000 metal radio tubes; 2,000 broadcasting tubes; 80 diathermic tubes; 750 rectifying mercury vapor tubes; and 300 X-Ray tubes.

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WHEELER SEES F.D.R. "DRAFT"; TO SEE PRESIDENT

A forecast that President Roosevelt "undoubtedly will be drafted" for a third term nomination came this week from one of the principal Democratic presidential contenders - Senator Wheeler (D.), of Montana.

Senator Wheeler, who handles radio legislation in the Senate, predicted the President would reject the nomination. The Montana Democratic liberal, a candidate only if the President does not run, has been invited to the White House Monday to discuss legislation.

Officially, Senator Wheeler has been called to the White House to discuss the communications problem, and if other subjects figure he said they would be incidental. It is probable that television will be covered in the conference. The Montana Senator reiterated his belief that the President could turn thumbs down on any proposed nominee not of his choosing, and, within a wide range, name the next nominee.

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RADIO USED TO ELIMINATE AIRPORT HAZARD

To eliminate a hazardous condition which exists at the Los Angeles and Santa Monica, Calif., airports, the Federal Communications Commission has announced temporary authorizations for the use of the radio frequency of 272 kilocycles for controlling aircraft at these airports pending ultimate decision on applications by four airports in that vicinity and the prospective use of ultra-high frequencies for aircraft control. At the same time, the Commission temporarily granted the Union Air Terminal, at Burbank, and the Long Beach Municipal Airport continued use of 278 kilocycles.

This action was taken upon recommendation of Commissioner Paul A. Walker, who last month held hearings in Los Angeles on all four cases. Commissioner Walker points out that the Union Air Terminal and the Long Beach Municipal Airport have operated radio control towers for several years, sharing the 278 kilocycle frequency, which is the only one available at this time for such purpose. The Santa Monica and Los Angeles airports have attempted to control air traffic through the use of a light-signal gun. Witnesses for the Civil Aeronautics Authority and these applicants have shown that this is not satisfactory.

The maximum separation between any of the four airports is about 30 miles. Two of them are within 10 miles of each other. They are all busy airports. Statistics of the Civil Aeronautics Authority comparing these four airports with the 62 major airports show all four to be far above the average from a traffic standpoint. However, two of the airports, Burbank and Long Beach,

which are separated approximately 30 miles, have used a common frequency with results mutually satisfactory. Santa Monica and Los Angeles Airports have indicated that satisfactory working arrangements could be devised to make common use of a single frequency.

The Civil Aeronautics Authority has suggested, and the Interdepartmental Radio Advisory Committee has approved, the release of the 272 kilocycle frequency for assignment by the Federal Communications Commission for aircraft control purposes at Santa Monica and Los Angeles airports only.

Commissioner Walker hopes that ultra-high frequency for aircraft control purposes may be in general use by March 1, 1942. Accordingly, he recommends that the Commission prepare a report based upon the record made in the Los Angeles hearing, pointing out specifically the necessity for expedition in the development of ultra-high frequency equipment for the purpose of aircraft control, and that the use of these frequencies offers the only satisfactory solution of the problem of aircraft control in the large centers of the United States.

Meanwhile, the temporary arrangement in the Los Angeles area is expected to be a great improvement over previous conditions whereby two of the four airports did not have any radio control facilities.

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STUDY OF RADIO CRIME DRAMAS URGED

Special study of the influence crime dramatization on radio programs may have on crime was proposed to the Federal Bar Association this week by Dr. H. Milton Colvin, Chairman of the Association's Committee on Criminal Law and Procedure.

"These radio presentations are doubtless well intended", said Dr. Colvin, "but the life of the criminal frequently is made so exciting that some young listeners have difficulty in deciding whether they would rather be the lawbreaker or the detective."

Dr. Colvin declared he had heard of instances in which criminals admitted adapting methods described on radio programs. He quoted a recent news story in which a Midwestern police official said he listened to a Nation-wide "crime doesn't pay" radio program each week to find out what new tricks juveniles in his district would be working during the coming week.

The study, if approved, would be made by the Committee on Criminal Law and Procedure.

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TRADE NOTES

The Federal Communications Commission this week released a mimeographed list of currently available FCC publications of general interest with information as to where they may be obtained and their cost, if any.

Plans have been completed for the Educational Conference on Radio to be held at the University of Texas on May 31 and June 1 under co-sponsorship of the National Broadcasting Company and the University of Texas, Dr. James Rowland Angell, NBC Educational Counselor, announced this week. The conference is to be attended by many station managers and public service directors of NBC affiliated stations, members of the University faculty, and several hundred teachers of Texas and adjoining States.

"Radio at Ultra-High Frequencies" is the subject of a series of technical papers by RCA engineers, assembled and published this week by RCA Institute Technical Press, New York City.

An all-time high in the number of NBC affiliated stations will be reached in June when the total hits 189 with the addition of KRBM, Bozeman, Montana, and WSJS, Winston-Salem, N.C. KRBM, which joins NBC on Saturday, June 1, operates full-time on 1420 kc., with power of 250 watts. WSJS is licensed to the Piedmont Publishing Company and operates full-time on 1310 kc., with power of 250 watts.

The Federal Communications Commission has ordered a hearing on the application of the Arlington Broadcasting Corp., Arlington, Va., for a new radio station. The company filed an application several months ago for permission to operate on a frequency of 1420 kilocycles, with 250 watts power and unlimited time. The transmitter site has not been determined. The hearing date will be fixed later.

April, 1940, was the greatest single month in spot and local sales revenue from the 15 stations programmed by the National Broadcasting Company. Revenue for this month amounted to $529,116, an increase of 36 percent over the April, 1939, figure of $387,999. The April increase continues the upward trend of the record-breaking first four months of this year with the total spot and local revenue for the 15 NBC programmed stations reaching $1,975,078, an increase of 34 percent over the figure of $1,477,738 for the first four months of 1939.

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100 TELEVISION SETS NOW SOLD WEEKLY IN NEW YORK

Radio Today has just completed a survey of the metropolitan area to find out how many television sets are now being sold by radio dealers in New York and vicinity, and also what number of such sets may be expected to move in response to public demand as soon as the Federal Communications Commission lifts its present ban on television commercialization.

"Our census of dealers and manufacturers doing business in the New York City area indicates that at least 100 television sets are now being sold each week without any advertising or promotion as a result of the public's demand for television and despite the FCC's recent cautionary statements regarding television", Dr. O. H. Caldwell, editor, said.

"At first, upon the FCC Chairman's outburst against television, television-set sales dropped off to ten sets a week. But as rapidly as the public discovered that entertaining television pictures were still on the air, people resumed buying sets. Such sales have now again reached a definite average of 100 sets weekly, from Radio Today's survey just completed.

"Dealers tell us that as soon as full-commercial television is available, with CBS joining NBC on the television channels, they expect to increase their present sales fivefold; that is, to be selling a total of 500 television sets a week in the New York metropolitan area.

"This represents 25,000 television-set sales a year unleashed immediately in the New York region, as soon as the FCC gives its long-delayed authorization. With Boston, Hartford, Philadelphia, Schenectady and Washington linked for television service, the number will at once increase to 50,000 sets yearly, representing sales of $10,000,000 available for employment and payrolls, but all now held up awaiting FCC 'go-ahead'."

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1940 SET ADS START; BOOM YEAR FORECAST

First advertising for the 1941 radio sets has just appeared, with Zenith using newspapers to call attention to its new models, which will be available in stores shortly, the New York Times' business page noted the first of this week. Other leading manufacturers are expected to start breaking campaigns shortly, with indications that advertising volume will follow sales figures and show sizable increases over last year.

Current sales figures point to another record year for the sale of radio sets. First quarter volume is estimated at between 1,900,000 to 2,000,000 sets, as against 1,569,000 for the like period of last year. The presidential campaign and war news are the two chief reasons why manufacturers expect sales to continue to spurt.

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LARGE TELEVISION SCREEN SHOWN BY RCA

Television on a screen measuring 4½ by 6 feet was demonstrated before the annual meeting of the stockholders of the Radio Corporation of America in New York Tuesday as President David Sarnoff forecast that "in time, television is bound to revolutionize the broadcasting industry".

Detail on the enlarged images, which compared with the 8 by 10 inch screen used on home receivers now on the market, was excellent. In fact, viewers in the rear of the NBC studio where the meeting was held could see perfectly despite the distance of nearly 80 feet from the screen.

In introducing the test, Mr. Sarnoff said that the 4½ by 6 foot screen was an intermediate step, the next, ready in three months, to be on a 9 by 12 foot screen, full theater size.

The Corporation reported March quarter net profit of $2,312,893, equal to 11 cents a share on common after preferred dividend requirements, a big jump compared with the $1,448,110, or 4 cents on common, for the 1939 March quarter.

Gross volume of RCA in the first quarter totaled $28,310,407, a gain of 13 percent over $25,004,989 in the 1939 March quarter, David Sarnoff, President told stockholders at the annual meeting.

Earlier Mr. Sarnoff announced that a quarterly dividend on the outstanding shares of the Corporation's $3.50 cumulative convertible first preferred stock, and a quarterly dividend on the outstanding shares of "B" preferred stock, were declared at the regular meeting of the Board of Directors held last week.

The dividend on the first preferred stock is 87½¢ per share, and the dividend on the "B" preferred stock is $1.25 per share. These dividends are for the period from April 1, 1940, to June 30, 1940, and will be paid on July 1, 1940, to stockholders of record at the close of business June 7, 1940.

The RCA building at the New York World's Fair has been enlarged, a new main gate facing the Long Island Railroad station added and an auditorium has been installed in which movies of the latest television achievements are shown.

Ten small air-conditioned living rooms have been equipped with television receiving sets, and there is a television transmitting station. A thirty-foot fishing cruiser is anchored in the garden pool and live Florida fish in the water, stuffed fish on the dock, serve as a stage for television broadcasts. Part of the new wing houses a facsimile broadcasting demonstration. The electronic microphone, a brand-new-by-product of RCA laboratories, is to be displayed. A radio assembly line will be in operation, and the visitor may buy the set he has watched being put together.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

LEGAL DEPARTMENT
RECEIVED
MAY 15 1940

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No. 1234

May 14, 1940

FLY PRAISES RADIO COVERAGE OF WAR DEVELOPMENTS

Chairman James L. Fly this week spoke highly of the role American radio is performing in bringing the citizens of the United States an accurate and fair report of developments in the European war.

Speaking at a press conference, he said he thought American broadcasters are doing "a whale of a good job". He said he listens to a wide variety of radio news reports and has found them "fairly balanced in perspective" with reports from one capital balanced by counter reports from an opposing capital.

The news has been intelligently handled and presented, he said, and constitutes a public service. He expressed the opinion that the NAB code has had its effect on the manner of presenting the war news impartially.

Chairman Fly added that his comments on the radio news in no way reflected on the excellent job being done by newspapers and press associations.

The FCC Chairman again promised that the Commission will reach a decision on its policy as regards to television development before the end of the week.

He disclosed that William J. Dempsey, General Counsel, and William Koplovitz, Assistant General Counsel, had agreed to remain until the television decision is drafted. Both have resigned to engage in private law practice.

The long-delayed radio monopoly report has been put in a draft for the Monopoly Committee, Mr. Fly said. He did not predict, however, when the report will be acted upon or presented to the full Commission.

On Saturday Chairman Fly and Commissioners T.A.M. Craven and Paul Walker held an informal conference at which television was understood to have been discussed. As there was no quorum, however, no action was taken.

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CROSLEY CHIEF QUESTIONS CLAIMS FOR FM

Most of the claims made for frequency modulation, among them the "high fidelity" of reproduction the system achieves, are not unique, according to R. J. Rockwell, Broadcasting Technical Supervisor for the Corsley Corporation of Cincinnati. The present system of broadcasting -- amplitude modulation -- can do the same things.

"First", Mr. Rockwell said, "in addition to the inherent noise suppression of F.M., the main reason that frequency modulation is staticless is that it operates on a short wavelength where static is virtually unknown. Therefore, less power is needed to transmit programs without interference in a given area, since none of that power must be used to override interference. That, from the broadcaster's standpoint, is an advantage.

"However, the fact that frequency modulation is effective only to the horizon, a distance varying in different localities from 30 to 50 miles, is a drawback from both the broadcaster's and the listener's standpoint. This is due to the fact that very high frequency waves will not bend around the earth and travel for great distances. Amplitude modulation programs, on the other hand, can be heard hundreds of miles away on low frequencies."

Mr. Rockwell termed "true, but misleading", the fact that, in frequency modulation demonstrations, the sound has been such that the program seemed to be originating in the same room with the listener, instead of in a studio miles away. He attributed the phenomenon to the use of high-fidelity audio amplifiers and speakers in the receiving sets.

"Put a high-fidelity amplifier and speaker in the ordinary radio set", Mr. Rockwell said, "and you will get the same effect. You will get what seems to be perfect reproduction.

"A radio program, from the listener's angle", he went on, "is no better than the receiving set through which he hears the program. The ordinary radio amplifier and speaker is capable of reproducing sounds up to about 3,000 to 5000 cycles.

"There's the trouble. If you jangle keys in front of a microphone, it won't sound like that over your receiving set. Why? Because the sound is higher than 5,000 cycles -- too high for the ordinary speaker to reproduce faithfully. If you crumple a piece of paper in front of a mike, the same distortion results because the speaker is incapable of reproducing the true sound -- not because the regular amplitude transmitter doesn't put it on the air faithfully."

The standard amplitude transmitter, Mr. Rockwell said, emanates sounds well over the 5,000-cycle speaker limit. He declared that WLW is capable of transmitting sounds "well in excess" of 10,000 cycles.

Which brings up a question: if amplitude modulation puts out a signal duplicating the studio sound, why don't receiving sets reproduce that same sound in the homes of listeners?

Because speakers that will reproduce sounds ranging as high as 10,000 cycles are complex and expensive, Mr. Rockwell said. Such a set, at the present state of the art, must have an amplifier that distributes low-frequency sounds to one speaker and high-range sounds to another. One speaker cannot faithfully reproduce the entire range, the technical supervisor said, explaining that the average radio speaker is designed to reproduce the majority of the sounds -- not all of them.

In frequency modulation demonstrations, the sound seems uncannily accurate because the expensive and complicated speakers - and not average speakers - are utilized. Similar speakers, he emphasized, used in amplitude modulation pickups, would reproduce the original studio sounds in the same way.

Frequency modulation has only mixed advantages for the urban listener, Mr. Rockwell said, while the rural listener -- beyond the horizon -- is left out of the calculations.

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INTERNATIONAL STATIONS WARNED ON POWER RULE

The Federal Communications Commission has sent the following notice to all licensees of international broadcast stations:

"The attention of all licensees of international broadcast stations is called to the provisions of Section 4.45 which provides that no international broadcast station will be licensed for operation with a power less than 50 kilowatts after July 1, 1940. Any station not having a power of 50 kilowatts should immediately file the necessary application to install a 50 kilowatt transmitter.

"Your attention is likewise called to Section 4.43(c) which provides that the antenna shall be so designed and operated that the signal (field intensity) toward the specific foreign country or countries served shall be at least 3.16times the average effective signal from the station (power gain of 10). The Commission will soon require the filing of proof of performance showing compliance with this section."

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TELEVISION HELD BOON TO POLITICAL SEX APPEAL

The following editorial appeared in the Washington Post Tuesday (May 14):

"A special dispatch from the Republican National Committee proudly announces that the proceedings of this Summer's convention will be televised and that 3,000 in and around Philadelphia as well as 40,000 other potential Republicans in New York, New Jersey, Connecticut, Rhode Island, Pennsylvania and Massachusetts will now be able to look on. Maine and Vermont, too far to be reached by television's wiles, are obviously considered safe anyway.

"This innovation will no doubt considerably change the tenor of political rallies. When radio first became important, candidates who did not already possess a melodious and soothing voice were required to cultivate one. And, ever since, lack of ability to come across the ether effectively has been counted among the most difficult handicaps a candidate can have.

"But a persuasive voice will no longer be sufficient. Candidates for office will now, in addition, have to possess a glamorous appearance and at least average acting ability, for no old-fasioned waving of arms and tearing of hair will go down with sophisticated audiences conditioned by the movies.

"Television would appear to weight the scales in favor of such candidates as Dewey, McNutt and the ever-charming Mr. Roosevelt. However, the time may be at hand when all pretense will be discarded and Robert Taylor or Tyrone Power will, like Wintergreen in 'Of Thee I sing', sweep the country on a straight platform of love."

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UNLICENSED RADIO OPERATOR CONVICTED IN N.Y.

Following an investigation by inspectors of the Federal Communications Commission of the operation of unlicensed radio stations on Long Island, N.Y., Edward Mathes was indicted for violation of Section 301 and 318 of the Communications Act of 1934, as amended.

The defendant was arraigned in the United States Court for the Eastern District of New York on May 6, and pleaded guilty to charges of operating an unlicensed radio station and operating a radio station without an operator's license. The court suspended sentence and placed the defendant on six month's probation.

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STREAKS IN RADIO PHOTOS REMOVED BY PRESS WIRELESS

An explanation of the development of a new technique of radio photo transmission which eliminates streaks in pictures was carried in the May 11 issue of Editor & Publisher as an interview with Joseph B. Pierson, President of Press Wireless, Inc., which developed the "sweep circuit" that is to be put into operation in New York and Paris.

Equipment designed to eliminate streaking and other blemishes in news pictures radioed to this country has been developed in U.S. by Press Wireless engineers after three years of experimentation. The "sweep circuit" device has already arrived in France, Mr. Pierson said. It is now being set up and is expected to be in operation within the next three weeks. When put into use it is expected to make possible the transmitting of highclass reproductions of photographs from Paris to the Press Wireless station at Baldwin, Long Island.

The new device, which operates in conjunction with any of the four major picture services' telephone wire sending and receiving circuits in this country and the Belin system in France, employs a new principle for scanning pictures sent by short wave radio.

"In the past all photographs transmitted by wireless have been more or less streaked with white or black lines, in fact, all the evils of radio seemed to concentrate on a photograph", Mr. Pierson told Editor & Publisher. "The striae and loss of detail, engineers long have known, are caused by three sources of radio phenomena, namely, selective fading, echo, diathermy and natural static."

The effect of the "sweep circuit" is to make the transmission immune to such obstacles, he said, resulting in a truer overall reproduction of a photograph than is now achieved in trans-Atlantic broadcasting.

Mr. Pierson likened the "sweep circuit" to a fine tooth comb that controls the modulated photo signal coming through over a radio frequency channel 5 to 15 kilocycles in width. The signal jumps from one tooth to another, and because the circuit is sweeping across the channel continuously, the usual evils are eliminated, he said.

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Someone has mailed the Federal Communications Commission a newspaper clipping of an item headed, "W9CHD BECOMES BRIDE OF W2MSC". The account refers to the marriage of two radio amateurs who operate stations bearing those call signals. It attests to the interest of "ham" operators in their distinctive radio calls. The Commission's files contain other instances where amateur stations have merged in the sense indicated above - also cases where such combinations have later parted!

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FTC CRACKS DOWN ON TELEVISION AND RADIO COMPANY

The American Television & Radio Company, St. Paul, Minn., has entered into a stipulation with the Federal Trade Commission in which it agrees to discontinue certain representations concerning its products.

The American Television & Radio Company engaged in manufacturing a specialized line of electrical goods consisting of vibrators, vibrator-operated and rectifier power supplies, agrees to discontinue, in connection with the sale of its products, stating or representing in its advertisements and advertising matter that it is the "World's Largest Manufacturer" of the most complete line of electrical goods and supplies above-named, and to desist from the use of the words "World's Largest Manufacturer" or of any words of similar implication which may tend to convey the belief that there are no other manufacturers who make or who are now equipped to make as complete a line of such merchandise as that manufactured by the American Television & Radio Company.

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PRIVATE RADIO PHONE NUMBERS SEEN BY SARNOFF

David Sarnoff, President of the Radio Corporation of America, predicted last week increasing knowledge of ultra-high frequencies in radio may result in "private radio telephone numbers".

Discussing radio research at the University of Rochester, he cited uses to which high frequencies already have been adapted, including television and the transmission of photographs, then added:

"When enough frequencies become available - and it is not unreasonable to foresee it - each of us some day may have his own individual radio wave length, measured, perhaps, in millimeters. Using pocket-size apparatus, we may be able to call up and converse with distant friends, any time, any place. A few years ago such a development was merely wishful thinking. Today it is on the scientific horizon."

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The Federal Communications Commission has received several letters objecting to war news over the radio, or criticising it as "biased". An Indiana man wants the "Government radio station" in Washington, D. C., to give daily war news broadcasts. A New Jersey man offers his services to the Commission as "a commentator on European news events". A New Yorker would "like to get in touch with the Commission's television casting director". A Cincinnati man requests "forms for approval of broadcast programs". Obviously, the Commission has to reply that it has no jurisdiction in such matters.

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HISTORY OF RADIO DISTRESS CALLS TRACED

The distress call "SOS" famous to radiotelegraphy was first officially adopted for international use at the 1906 International Radio Conference at Berlin, the Federal Communications Commission recalls, although prior to that date the calls "CQ" and "CQD" had been employed during certain periods after 1900 when the Marconi International Marine Communication Company, Ltd., began equipping ships for radiotelegraph communication.

A distress call for use in radiotelephony was proposed by the British delegation at the Berlin conference, and word "Mayday", corresponding to the French pronunication of the expression "m'aider" (meaning "help me"), was first officially approved for international use in radiotelephony at the International Radiotelegraph Convention held at Washington in 1927. Guiding factors in the choice of the spoken word "Mayday" for the purpose mentioned were its similarity in meaning to the "SOS" used in radiotelegraphy, and the prevalence of the use of the French language.

Both domestic and international regulations specify the manner in which the distress calls ("SOS" for radiotelegraphy and the spoken word "Mayday" for radiotelephony) shall be utilized. Article 24 of the General Radio Regulations, International Telecommunications Conference, Cairo, 1938, provides in part that

> ".....The distress call and message shall be sent only by order of the master or person responsible for the ship, aircraft, or other vehicle carrying the mobile station...
>
> "....Furthermore, a mobile station which comes aware that another mobile station is in distress, may transmit the distriess message in either of the following cases:
>
> (a) when the station in distress is not itself in a position to transmit it;
>
> (b) when the master (or his relief) of the vessel, aircraft, or other vehicle carrying the station which intervenes, believes that further help is necessary."

The use of the distress call is further restricted by Section 325 of the Communications Act of 1934, as amended, which provides in part as follows:

> "(a) No person within the jurisdiction of the United States shall knowingly utter or transmit, or cause to be uttered or transmitted, any false or fraudulent signal of distress, or communications relating thereto...."

A fine of not more than $10,000 or imprisonment for a term of not more than two years, or both, is provided by Section 501 of the Communications Act for violation of these provisions.

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TRADE NOTES

World radio market reports released recently by the U. S. Bureau of Foreign and Domestic Commerce include: Brazil (regulations), Luxemburg, Uruguay, Latvia, Anglo-Egyptian Sudan, Madeira, French Morocco (regulations), and Turkey (regulations).

NBC television observed its one thousandth program Thursday, May 9th, when Lowell Thomas' joint broadcast-televised news broadcast for the Sun Oil Company was heard and seen. Alfred H. Morton, NBC's television chief, took note of the milestone in television history by stepping before the cameras to present a huge bunch of roses to the pioneer newscaster, whose radiovision appeal ranks high with NBC's audience.

The Radiomarine Corporation of America reports for March and three months ended March 31:

	1940	1939
March gross	$75,754	$76,146
Net income	20,061	10,451
Three months' gross	226,789	229,936
Net income	56,071	30,168

The District Broadcasting Co. of Washington, the officers of which are officials of the Washington Post, yesterday filed an application with the Federal Communications Commission for a construction permit for a new high frequency radio broadcasting station to be located in Washington. The application says the proposed station is to be operated on a regular commercial basis and asked for the assignment of the frequency 43,400 kilocycles with 1,000 watts power. It is proposed to use the frequency modulation system in transmission.

With WOR's renewal business for 1939 totalling 79% of the station's business and with renewal figures for the first 18 weeks of 1940 16% ahead of 1939's record-breaking mark, WOR launched last month a concerted drive for new business which was completed last week, May 11th, with results of nearly $100,000. The four weeks total of new business, $99,602.92, is more than double the figure for 1939's four week average of $47,200.

Television is being displayed in the General Electric exhibit at the New York World's Fair, and research and development are explained in the various electrical equipment and electrical products exhibits. Coast Guard show in Communications Building shows uses of radio in life-saving and other hazardous work at sea. Complete ship radio room is in the Mackay Radio exhibit.

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WESTINGHOUSE RADIO HEADQUARTERS MOVED TO PHILADELPHIA

Headquarters of the Westinghouse Radio Stations will be located in Philadelphia after July 1, according to news received by KDKA officials from Walter C. Evans, Vice-President of Westinghouse Radio Stations, Inc. The Westinghouse station group includes KDKA, Pittsburgh; KYW, Philadelphia; WOWO-WGL, Fort Wayne, Indiana, and WBZ-WBZA, Boston and Springfield, Mass.

The new KYW building at 1619 Walnut Street, Philadelphia, recently acquired by Westinghouse at the termination of the Westinghouse-NBC agreement, will be used for the headquarters staff which Mr. Evans is now setting up. The move to Philadelphia will leave undistrubed the radio manufacturing unit in Baltimore which Mr. Evans also directs. He will actively supervise both broadcasting and manufacturing divisions, dividing his time between them.

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SAYS RADIO LISTENERS MAY BE EAR CONDITIONED

A hint that radio listeners may be conditioning themselves against commercial announcements was brought out recently in a study conducted by Samuel E. Gill, New York market research analyst.

Several hundred known listeners to a group of four popular Sunday night shows were interviewed on Monday and asked to identify, from a list of sponsor names, the one sponsor who used a given punch line, slogan or offer on the preceding evening's broadcast. The study showed that on the average, only 42% got anything out of the program other than the sponsor's name. This varied from 39% for the McCarthy show to 57% for the Gulf Screen Guild.

Due to some factor inherent in the commercial, or in the manner or timing of the announcement, Mr. Gill explained, a large part of the audience missed the full import of the sponsor's "plug". This condition obtains despite the fact that by the usual coincidental method of asking at the time of calling, "What company or product sponsors this broadcast?", certain of the programs have a high percentage of sponsor identification.

The theory that has been advanced that radio listeners are consciously or unconsciously missing the announcement might bear further investigation for perhaps the audience really is becoming "ear conditioned" and new techniques of broadcast advertising will require development.

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BBC INCOME INCREASED FOR "WAR OF WORDS"

Massing all its resources for a bid to overwhelm the enemy in a war of words, the British government has increased the income of the British Broadcasting Corporation to the huge total of $15,750,000 a year, to back the Spring offensive in the ether, according to a London correspondent of the New York Times.

Britain entered the war ill-prepared in radio and with much leeway to make up. Now after eight months of struggle Britain is alive to the need for matching her ethereal efforts with those of land, sea and air.

Television, which drained the moneybags, is shut down for the war's duration and the money can be devoted to the foreign-language services. More transmitters are being built at express speed, exactly how many is an official secret. Already the BBC uses a score of the world's chief languages and forty bulletins a day in the various tongues are radiated from eight short-wave transmitters. Daily more recruits join the BBC's Foreign Legion of announcers and interpreters. Wags suggest that the notice "English Spoken Here" should be put up on the notice board of Broadcasting House, London. The headquarters of broadcasting, sand-bagged and fortified, with bricked-up entrances and underground gas-proof shelters, is now held almost exclusively by this polyglot army of occupation, while departments carrying on the country's ordinary broadcasting have been scattered to Manchester, Bristol, and the country.

Most important move of all, since Sir John Reith became the Minister of Information, broadcasters have been told to put more punch into their talks and bulletins and punch with the gloves off. There is no mincing of words now. The BBC insists that its main task is "to erect a dam of truth against this never-ceasing torrent of lies and rumors".

To keep an ear peeled on all wavelengths, Britain has a listening organization called "the monitoring service". Every day 250 foreign bulletins of about 500,000 words, five times the length of an average novel, are taken down, interpreted and analyzed. All government agencies prosecuting the war are supplied with broadcasts of special interest to them.

Sub-editors reduce the enormous unmanageable mass of material daily to a digest of 30,000 words. This consists of two parts, first, broadcasts by Germany in German and for Germans, broadcasts by Germany in English and other languages. The second part comprises all transmissions other than German and covers bulletins in twenty-six languages spoken in the five Continents - Europe, Asi, America, Africa and the Antipodes.

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RADIO AND MOVIES SUBJECT OF UNIVERSITY CLINIC

Two of the country's major industries, moving pictures and radio, were discussed last week as the University of Rochester ended a three-day clinic on "New Frontiers in American Life".

David O. Selznick, President of Selznick International Pictures, Inc., and David Sarnoff, head of the Radio Corporation of America, both praised and criticized the past records of their industries. They promised improvement for the future.

Mr. Sarnoff argued that radio, by reaching masses of people not reached by other means of communication or entertainment, had raised the level of culture.

Mr. Selznick and Mr. Sarnoff participated in a discussion of the probable effect of television on the movies. Mr. Sarnoff declared that the movie industry would take advantage of television and use it as an outlet, with a theatre in every home, if it was smart enough, but would suffer if it blindly opposed television.

Mr. Selznick agreed. He said that the only elements in the movie industry opposed to television were the theatre owners. He called their fears groundless. People were gregarious, he said, and would still like to congregate in movie theatres. He added that the people have become so accustomed to the broad scope of the movies that he did not think television, restricted to present day events, could completely displace the movies.

A question, addressed to Mr. Sarnoff, asked how one got training as a radio script writer. Mr. Sarnoff answered by repeating an aside remark of Mr. Selznick's:

"A pencil and a piece of paper will help."

Asked regarding the effect of the movies on general culture, Mr. Selznick said, among other things:

"In the field of music, we have done nothing compared with what radio has done. In architecture, the movies have had a great influence and much of modern architecture can be traced to the movies."

When a similar question about culture was put to Mr. Sarnoff, he replied:

"The cultural level of the masses is bound to be improved by a new form of transmission. Radio has brought to thousands their first knowledge of news, music and entertainment. But whether knowing more means better people or not, I leave to President Valentine (of the universith)."

"I agree with you, and share your doubts", Mr. Valentine responded.

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TELEVISION RELAY SEEN AS LINK TO LATIN AMERICA

Television one day will join radio in further strengthening the bonds between North and South America, Maj. Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, said in an address last Wednesday before the Eighth American Scientific Congress in Washington.

After outlining the growth of radio communications between the United States and Latin American countries, General Harbord said:

"Television, the youngest child of the radio science, will some day serve to further strengthen the bonds between our two continents. We have not yet learned how to utilize the ultra-high frequencies employed in television except over comparatively short distances. RCA engineers, however, have developed a television relay system which some day may follow the Pan-American Highway, and unite all the Americas with radio vision. Then we may see as well as hear one another, with the speed of light."

General Harbord also spoke of the national defense value of rapid communications between the countries of this hemisphere.

"At a time such as this", he said, "it is impossible to exaggerate the importance of the role played by the facilities for rapid communication between all parts of North and South America. That role is no longer confined to the promotion of commerce and friendly social contacts. It is a role of defense for our two continents, upon which our very lives and liberties may depend."

The perfection of radio has revolutionized communications, General Harbord said, pointing out that "The development of the Pan American radio telegraph communications system of today is one in which Latin American countries have justified pride. They have taken a large part in it. The Latin American radio telegraph services have been developed for the most part by local or national companies, which administer the Latin American terminal facilities."

"Years of research and fortunes in dollars have been spent in the exploration of the possibilities for public service of shorter and shorter radio waves", he goes on to say. "Tremendously important to international communications everywhere, these findings have special import to South and Central America. . . . .

"Like a giant searchlight of invisible rays, its (beam transmission) tremendous concentration can be aimed unerringly at centers of population in Latin America. The beam can be shifted from time to time, as desired, to reach the greatest possible listening audience, starting, for example, on the East Coast and ending on the West Coast.

"Another major contribution of research has been the development of portable transmitters, of ever-increasing lightness and compactness. Their mobility and dependability of operation has given them especial value on a continent with high mountains, vast stretches of forest, and widely separated centers of population. . . . . .

"The many devices and services with which radio has been able to assist the development of aviation, bring to mind the countless contributions which radio science has made to industries outside the field of either communication or transportation. The basis of all these contributions is the radio tube. By means of this magic device, many types of materials can be counted or sorted, colors may be matched, and thicknesses may be gauged to the millionth of an inch. Temperature, humidity, and atmospheric pressure may be measured with extreme precision. Solid particles may be detected in gases or liquids. There is practically no industry which cannot profitably employ the tangible results of radio research; and the same is true of chemistry, biology, medicine, and a long list of other sciences.

"As another example of radio research, engineers have now brought to a high state of development the electron microscope, by which bacteria and other subjects can be magnified up to 25,000 diameters. . . . We can see things through the electron microscope never before seen by the human eye, and now scientists are called upon to tell us what it is we see."

Discussing the growth and present activities of international short-wave stations, General Harbord said:

"Broadcasts of news, carrying up-to-the-minute information on world events, appear to be the programs best liked by our Latin American short wave audience. A colorful example of the swift action of the NBC news facilities occurred last December when millions in the United States heard an NBC announcer in Montevideo score one of the greatest news scoops: an eyewitness account of the sinking of the 'Graf Spee'. At almost the same minute the story was going back to Latin America in Spanish on the short wave beam from NBC. The first word of this historic incident, so near to them, came to many South Americans from New York.

"Second in popularity are broadcasts of sporting events. The Louis-Godoy prizefight, in which a clever Chilean boxer met our 'brown bomber', was reported by an NBC commentator in Spanish. It was also rebroadcast over some 130 Latin American radio stations. The enthusiastic letters from South America, commenting on this program, swamped NBC's mail room . . . .

"Most of the musical programs which the NBC International Division sends south by short wave are especially designed for the Latin American audience. Outstanding network musical programs are also on the schedule. In addition to Toscanini and the NBC Symphony Orchestra, special mention should be given to the complete performances of grand opera, broadcast each week during the season directly from the stage of the Metropolitan Opera House in New York City.

"But the broadcasting of programs between the Americas is not a one-way stream. In the course of each year our national radio audience in the United States enjoys many programs which originate in South and Central America. These are brought to the RCA international receiving station at Riverhead, Long Island, by short wave, and thence are transferred to a coast-to-coast network. These programs include not only eye-witness accounts of news events - of which the 'Graf Spee' affair was an outstanding example - but also many excellent musical programs.

"I hope the time will soon come when our Latin American friends will also systematically send programs to us by short wave, in English, even as we send programs southward in Spanish and Portuguese. Of the 45,000,000 radio receivers in use in this country, many millions are equipped for short wave reception, and would be eagerly tuned in on such programs."

"It should be observed that no sharp distinction can be drawn between the commercial and the cultural relations promoted by communication between North and South and Central America", General Harbord said. "Economic and cultural influences overlap and interact everywhere in determining the social relationships between our peoples.

"In fact, I believe that friendly commercial relations do even more than cultural exchanges to encourage understanding between nations. Commerce seems to transcend all differences in point of view, religion, language, historical background, or political philosophy.

"Buenos Aires, already near to New York because of its radio circuits, was brought still closer in July of 1932 when a photoradio service was inaugurated. The United States no longer seemed a far-off land to people of the Argentine when they saw in their newspapers on the day of the event, a picture of Zabala winning the Marathon in the Olympic Games in Los Angeles, transmitted by radio from New York to Buenos Aires in eight minutes. Every year hundreds of photographs, legal documents, and other graphic material are transmitted over this photoradio circuit, providing government business, and the press with a fast and accurate facsimile medium.

"With radio telegraph and telephone, and the transmission of photographs and documents, functioning smoothly, it was but a step to the greatest of radio achievements up to this time - that of mass communication, and the transmission of the actual voices and music of all the nations of the Americas to listeners throughout both continents."

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FCC DECISION BELIEVED NEAR ON TELEVISION

The Federal Communications Commission's decision on the future policy toward television is expected to be reached momentarily. Several discussions have been had by a quorum of the Commission, and tentative agreements are understood to have been made.

Full commercial television may be authorized, it has been indicated, but with safeguards against domination of the field by a single type of receiver. The new order, however, may not authorize the change over from experimental operation until a later date than did the previous order, which would have permitted partial commercialization on September 1st.

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EINSTEIN AND HARBORD SUFFER FROM POOR ADVANCE BILLING

Because there was little or no publicity heralding the appearances of Dr. Albert Einstein and Maj. Gen. J. G. Harbord, Chairman of the Board of the Radio Corporation of America, two of the biggest stars of the American Scientific Congress at Washington had very poor audiences. Dr. Einstein and General Harbord were scheduled to address different sections of the Congress last Wednesday at exactly the same time. Dr. Einstein's hall was reported to be only half filled.

Although General Harbord's speech had been printed in advance and sent to Washington by plane, due to faulty distribution in Washington, it was with difficulty that a copy was finally secured.

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FCC AFFIRMS REVOCATION OF THREE TEXAS LICENSES

The Federal Communications Commission this week announced its proposed findings of fact and conclusions propising to affirm the recommendations of Commissioner Payne to revoke the licenses of three Texas radio broadcast stations - KTBC, Austin, KNET, Palestine, and KRBA, Lufkin.

Upon consideration of all the facts of record, the Commission concludes in its proposed findings, that original construction permits and licenses for these stations were issued by the Commission upon misleading representations on the part of the respondents. Applicants failed to make full disclosures to the Commission concerning the financing of station construction and operation, as well as the ownership, management and control thereof, in violation of the Communications Act, the FCC stated, and that had the actual facts in this connection been made known to the Commission, it would have been warranted in refusing to license these stations.

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TOSCANINI CAPITAL TRIUMPH SEEN FINAL STOKOWSKI SPIKE

The master stroke of bringing the National Broadcasting Company's Symphony Orchestra, under the direction of Toscanini, for a special concert in honor of the American Scientific Congress in Washington was seen by many as the final spike in the proposed South American tour of Leopold Stokowski and the National Youth Administration Orchestra to be made up of the most promising young music students selected by contest from every State in the Union.

As a result of Toscanini, who despite his age was in rare form that night, and the NBC Orchestra, carrying by storm the Scientific Congress, attended not only by noted men from all over South America but by every Ambassador and Minister from South America, and because of other difficulties Stokowski's proposed tour was said to have encountered, it was predicted that an announcement would soon be forthcoming that the Stokowski trip had been abandoned.

Also shrewdness was seen in the RCA and NBC taking the opportunity of Toscanini's appearance in the Capital to improve its relations with public officials by having them invited to the concert. For instance, invitations were extended to all the members of the Federal Communications Commission, which is now considering television regulation in which the RCA is so vitally interested. Likewise seen in the audience was Senator Ernest Lundeen, of Minnesota, author of the Senate resolution to investigate the FCC's action recently in blocking commercial television.

Admission to the concert was strictly by invitation and unquestionably in addition to signally honoring the American Scientific Congress, the RCA and NBC created an immense amount of goodwill in high Government circles by the magnificent Toscanini presentation which involved bringing this orchestra of a hundred pieces or more, rarely heard in public appearances, all the way from New York for this single performance. Mr. David Sarnoff accompanied Mr. Toscanini, saw to it that everything possible was done for the comfort of the aged maestro, and was in personal charge of all arrangements.

Toscanini will begin a concert tour of Latin American cities on June 12th.

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The Federal Communications Commission this week announced its proposed findings of fact and conclusions, proposing to grant the application of the Radio Voice of Springfield, Inc., for a construction permit to erect a new broadcast station in Springfield, Ohio, to operate on the frequency 1310 kilocycles, with power of 100 watts, unlimited time.

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FCC ASKS $142,000 FOR TELEPHONE REGULATION

President Roosevelt this week sent to Congress a supplemental budget estimate asking $142,000 for the Federal Communications Commission to be added to the regular appropriation, already passed by Congress, of $2,051,340. The additional money was requested to put into effect some of the FCC's recommendations with regard to regulation of the telephone industry, Harold D. Smith, Budget Director, stated.

"For the fiscal year 1941, an appropriation of $2,051,340 is made available for salaries and expenses of the Federal Communications Commission", Mr. Smith wrote. "The Commission has completed and transmitted to Congress its final report on the telephone investigation. Based upon facts developed during the investigation, the Commission has determined the procedure to be followed in order to provide adequate regulation of the telephone industry in accordance with the Communications Act of June 19, 1934. In order to carry out the proposed plan for expanded regulations, additional funds are needed for developing effective methods of determining the reasonable costs of apparatus and equipment, the allocation of expenses, division of interstate toll revenue, determination of depreciation rates, and for the development of cooperative machinery between the Federal Communications Commission and State commissions. The $142,000 submitted herewith will enable the Commission to initiate the proposed program.

"The foregoing supplemental estimate of appropriation is required to meet a contingency which has arisen since the transmission of the 1941 Budget and its approval is recommended."

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BRITISH RADIO INDUSTRY CONTINUES DESPITE WAR

Although faced with difficulties in connection with raw material supplies and labor, the British radio industry is reported to be making satisfactory progress, according to the American Commercial Attache at London. The demand from Empire countries is continuing at a fairly high level and, in accordance with the wishes of the Government, many manufacturers are paying especial attention to this business. At the specific request of the British Radio Manufacturers' Association, the Board of Trade recently prohibited imports into Great Britain of radios, parts and tubes from countries other than France. A supplementary order announced that until further notice no applications for import licenses except for France would be received.

Latest available statistics show that in the first 8 months of 1939 British imports of radio apparatus were valued at £700,000 (approximately $3,100,000) which compares with £1,000,000($4,900,000) for the full calendar year 1938. Approximately half of these imports originated in the United States, with the Netherlands accounting for about a quarter. Many of the American receiving sets imported were of the midget type, which have become increasingly popular in Great Britain in the past two years.

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ARMSTRONG DENIES HIGH COST FOR WAVE CHANGE

Maj. Edwin H. Armstrong, FM inventor, this week denied published estimates that it would cost the National Broadcasting Company $100,000 to change the wavelength of its television transmitter in case No. 1 television channel were turned over to frequency modulation by the Federal Communications Commission.

In a letter to the editor of "Radio and Television Today", he wrote:

"In your issue for April there is a statement in an article entitled "Frequency Modulation Expects FCC Go-Ahead" to the effect that it would cost $100,000 to change the wave length of the NBC transmitter on the Empire State Tower from Channel No. 1 to Channel No. 2.

"This statement is not correct. Nothing like this amount is involved, nor would it, in fact, cost NBC anything to make the change. At the first meeting of the FM Broadcasters, where this same question was discussed, the National Broadcasting Company's representative objected to making the change from the No. 1 to the No. 2 channel on the ground of expense. I thereupon stated that I would assume the expense of making the change. This offer still stands.

"I would appreciate it if you would publish this letter in order to dispel that impression which seems to have been created, that very great hardship would be imposed upon the Radio Corporation should the retuning of its New York television transmitter become necessary. It hardly seems necessary to add that the clearing of the No. 1 Channel would make way for the installation of hundreds of FM stations throughout the entire country."

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HEARING SET ON RADIO SERVICE ON MISSISSIPPI

Action on applications for authority to establish coastal stations to provide public radiotelephone service to vessels on the Mississippi River and its tributaries have been indefinitely postponed by the Federal Communications Commission pending an informal hearing, at a date to be fixed later, for the purpose of acquiring information on the need and nature of such service.

There are eight such applications - the Waterways Radio Company, St. Louis; John H. Pepper, Greenville, Miss.; Warner and Tamble Radio Service, Louisville; Inland Waterways Corp., Memphis; Radiomarine Corporation of America, St. Louis (2), and West Dover, Chio; and Inland Wireless, Rock Island, Ill.

These applicants mostly request frequencies in the 2000-3000 kilocycle band, which is used by coastal-harbor stations and ship radiotelephone stations along the seacoast and on the Great Lakes in cooperation with Canada. Sharing of such frequencies would involve serious interference problems. Use of frequencies above 30,000 kilocycles would present less difficulties.

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MOTION PICTURE PRODUCTION IS TELEVISED

For the first time in history a motion picture crew in production was televised from a sound stage in Hollywood last week.

Thomas S. Lee, owner of W6XAO and President of the Don Lee Television System, took his twin telecameras - one a telephoto lens, the other a wide-angle lens - to stage 2B on the Marathon Street lot of RKO studios to shoot the production of Lum and Abner's new picture, "Dreaming Out Loud".

More than 2,000 "lookers" in all parts of Southern California watched grips, juicers and cameramen at work. They saw long shots, retakes and close-ups made. There were even pauses for "stills" and tele "lookers" were delighted to see how the flash bulb men move in on a set to shoot "muggs" of the actors.

Reception on nearly all of Southern California's several hundred television sets was reported to be excellent.

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MOSCOW PROMISES WORLD'S LARGEST TELEVISION STATION

A short wave television transmitter, which it is claimed will be the most powerful in the world, is to be erected in the Moscow Palace, according to the Moscow radio news bulletin in English, the U. S. Commerce Department reports. The aerial equipment, 1,000 ft. above ground, is expected to have a long range, and the main hall of the building will contain a screen 400 sq. meters in area.

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The Federal Communications Commission this week granted the application of L. J. Duncan, Leila A. Duncan, Josephine A. Keith, Effie H. Allen, and Aubrey Gay, doing business as Valley Broadcasting Co., West Point, Ga., for construction permit for new radiobroadcast station to operate on 1310 kilocycles with power of 250 watts, unlimited time.

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KVOS LICENSE RENEWED; RIVAL APPLICATION DENIED

The Federal Communications Commission, in a proposed finding of fact and conclusions, announced this week, concludes that the "public interest, convenience and necessity" will be best served by renewing the license of Station KVOS, Bellingham, Wash., and denying the application of the Bellingham Broadcasting Company for a new station seeking the facilities of KVOS in the same place. KVOS a few years ago was in hot water because of its "newspaper of the air".

The Commission held the Bellingham Broadcasting Company "not financially qualified" to operate its proposed station.

KVOS, which is the only station offering primary service to the Bellingham area, is declared to now be "legally, technically, and financially qualified to continue". The Commission points out that prior to July, 1937, the licensee "conducted its station in such manner generally as to encourage strife and discord in the community" and, subsequently "instances were presented * * * * of the continuance to some degree of doubtful practices, particularly with respect to the treatment of candidates for public office."

"The evidence suggests," the Commission explained, "but is not conclusive, that 'equal opportunity' was not afforded . . . . and that censorship of candidates' speeches may have been imposed. However, determination of the question of censorship involves consideration of whether the material was libelous as a matter of law (a subject not within the jurisdiction of this Commission) and whether, if libelous, a licensee possesses the legal right to expunge from a proposed broadcast a libelous statement. In any event, in the light of this record, we do not feel called upon to pass upon these questions.

"The licensee has promulgated regulations since the cessation of the 'Newspaper of the Air' program designed to prevent a recurrence of that type of broadcasting. It has afforded use of its facilities for religious, civic and educational purposes. Its program service as a whole indicates that for the past year and more a wide variety of acceptable programs have been furnished. Recent instances indicate the maintenance of an unbiased attitude on the part of the station's management. Former questionable practices have now been discontinued."

Station KVOS operates on 1200 kilocycles, with 250 watts, unlimited time.

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TRADE NOTES

James V. McConnell, Manager of the National Spot and Local Sales Department of NBC, has announced the appointment, effective immediately, of William O. Tilenius to the post of Assistant Manager of the department.

Effective June 1, Station KROD, El Paso, Texas, joins the Columbia Network as its 119th affiliate. KROD, a new station licensed to operate full time, becomes a CBS outlet on the day of its inauguration. It is operated by the owners of the El Paso Times with 250 watts on 1500 kilocycles.

The New Jersey Federation of Women's Clubs, meeting at Atlantic City this week, stressed the responsibility of the individual in supporting radio programs. The Radio Committee, headed by Mrs. Robert W. Cornelison, declared that it was a new duty of citizenship to support "quality" radio programs and condemn those deemed unfit, because such action "would promote the best interests of the radio and preserve the foundations of our democracy".

The National Broadcasting Company will receive the national award of Phi Beta for the "promotion of the best in music and speech" on Friday, May 24. The presentation ceremonies will be broadcast during Alma Kitchell's Brief Case program at 7:05 P.M., EST, over the NBC-Blue Network, with Miss Kitchell accepting the award on behalf of NBC. The national professional women's fraternity of speech and music cited NBC's production of the NBC and the Metropolitan Opera broadcasts.

"Radio Directing", a comprehensive textbook by CBS Director Earle McGill covering all phases of network program production, has been published by the McGraw-Hill Company of New York and is now on sale for $3.50.

Inconsistencies of interstate telephone rates in the Southeastern States and in New York and New Jersey were this week, by direction of the Federal Communications Commission, called to the attention of the Southern Bell Telephone and Telegraph Co., the New York Telephone Co., and the New Jersey Telephone Co. with request that consideration be given to revising their respective schedules. It was pointed out that the rates of the Southern Bell Telephone and Telegraph Co. which serves the Southeastern States, are generally higher than the rates of its parent company, the American Telephone and Telegraph Co. The difference ranges from five cents for station-to station day rates at a distance of 50 miles, to 60 cents at a distance of 750 miles. The same holds true for N.Y. and N.J. Telephone companies.

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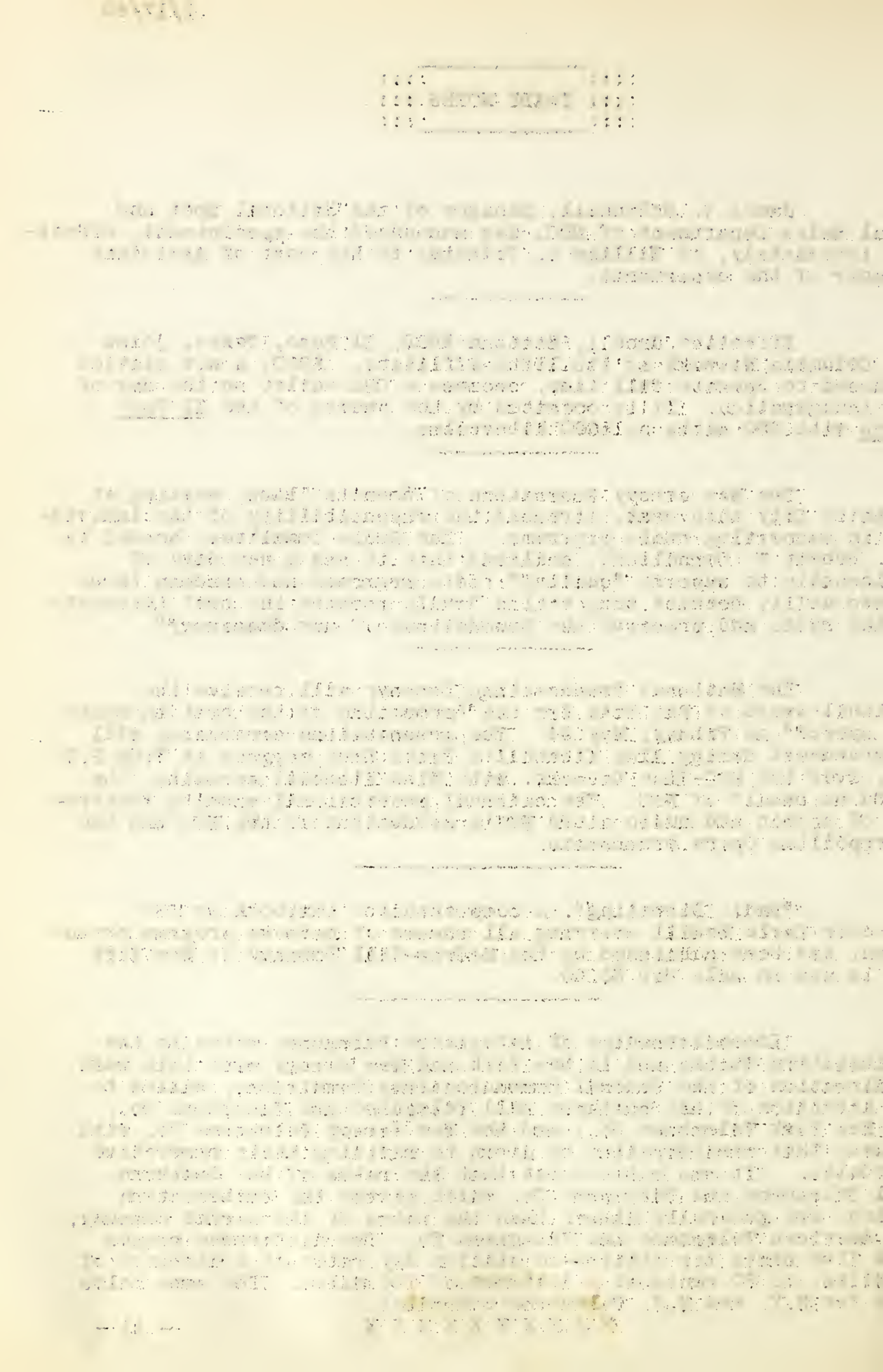

50 KW. AIR COOLED WBZ TRANSMITTER COMPLETED

Final assembly of the new streamlined 50 KW WBZ transmitter has been completed at the Baltimore works of the Westinghouse Electric & Manufacturing Company. The equipment is to be housed in a New England colonial type building at a new location in Hull, Mass., from which point WBZ will deliver a tremendously improved signal to Metropolitan Boston and New England generally as compared with the old transmitter location at Millis, Mass.

The new 50-HG transmitter, manufactured throughout by Westinghouse, is similar to that installed last November at Westinghouse station KDKA. It incorporates many advanced features new to the industry. Chief among these is the complete air cooling of all tubes, thereby eliminating the cumbersome water system and permitting convenient utilization of exhaust air for heating of the transmitter building.

Remote control replacement of defective rectifier tubes by means of a relay shift device has been devised by Westinghouse radio engineers, thereby obviating lengthy program outages and reducing the danger factor of manual replacement of tubes while the station is on the air.

A new circuit principle developed by Westinghouse results in an efficiency of 80 percent in the power amplifier alone, which is more than twice the plate efficiency of conventional circuits, and provides an overall transmitter efficiency well above that of other types of equipment now commonly in use.

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PORTUGUESE STATION TO SELL CHEAP RADIO SETS

The Portuguese National Broadcasting Station (Emissora Nacional), in an endeavor to increase the number of radio sets in use in Portugal and thereby increase its annual income derived from tax receipts on radio receiving sets, has launched an extensive advertising campaign by press and radio to sell approximately 2,000 receiving sets at low cost, according to the American Consulate at Lisbon. An order for that number has been placed with a well-known American manufacturer to be handled in partial shipments of 500 sets at a time, a report to the U. S. Commerce Department stated. These sets are 4-tube a/c - d/c 110 volts, broadcast band and 6-tube short and medium wave sets of a/c - d/c 110 volts, the first selling for 297.50 escudos and the second for 595.00 escudoes.

The sets are to be known as receiver E.N. (Emissora Nacional) and may be sold for cash or on a 7-months' installment basis so that they may be within reach of the poorer classes for whom they are intended. This plan of widespread sale of cheap sets is not new and was tried in Portugal four years ago. Several thousand sets of four-tube, a/c - d/c 110 volts were sold and the popularity of radio reception was increased.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

RECEIVED
MAY 22 1940
WILLIAM KOSTKA
NATIONAL BROADCASTING COMPANY, Inc.
GENERAL LIBRARY
30 ROCKEFELLER PLAZA, NEW YORK, N.

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No. 1236

May 21, 1940

FM DECISION SEEN STARTING NEW BOOM IN INDUSTRY

A new boom in the radio manufacturing industry that will mean increasing sales for both manufacturer and retailer and jobs in factories and for service men was forecast this week as the Federal Communications Commission announced it had set aside the frequency band of 42,000 to 50,000 kc. for commercial frequency modulation operation.

This allocation will provide 40 FM channels, each 200 kc. wide, of which 35 will go to regular high-frequency broadcasting stations and five to non-commercial educational stations.

One estimate in radio industry circles, as reported in the May issue of "Radio and Television Today", is that FM sales will amount to 24,400,000 units within the next five years. The trade magazine forecast 1,000,000 sales this year and a step-up each year to a peak of 7,500,000 in 1944.

"While only about ten percent of 1940 receivers are expected to be capable of FM reception", the magazine said, "it is estimated that this will grow to over 50 percent in five years."

Applications for FM broadcast stations will be considered by the Commission when revised rules and regulations are promulgated, and new application forms made available. Meanwhile, the 130 pending applications for high-frequency broadcast stations on an experimental basis, filed under the old rules and regulations, will be dismissed without prejudice and the way opened to file new applications for either experimental or regular FM broadcast stations, which may include the simultaneous transmission of facsimile programs, when the new regulations are announced. Likewise, authorization of existing high-frequency experimental stations are terminated by January 1 next, also without prejudice, for the filing of new applications for either type of service.

"Frequency modulation is highly developed", the Commission declared in unanimous report. "It is ready to move forward on a broad scale and on a full commercial basis. On this point there is complete agreement among the engineers of both the manufacturing and the broadcasting industries. A substantial demand for FM transmitting stations for full operation exists today. A comparable public demand for receiving sets is predicted. It can be expected, therefore, that this advancement in the broadcast art will create employment for thousands of persons in the manufacturing, installation and maintenance of transmitting and receiving equipment and the programming of such stations."

At the same time the Commission pointed out that there was agreement among witnesses at its recent hearing that this new service will not supplant the service of standard broadcast stations generally and that, therefore, FM will not make obsolete the receivers now in use.

"Standard broadcasting is on an entirely different frequency band from that to be occupied by frequency modulation," the FCC stated. "FM will not interfere with it. Present standard broadcasting will continue, and certainly for a number of years will render full service. The extent to which in future years the listeners will be attracted away from the standard band cannot be predicated. Testimony at the hearing indicated that manufacturers will provide receiving sets capable of receiving both services."

The chief claims for FM are that it gives more fidelity and less interference than standard broadcast. The principle of frequency modulation has long been known but its practical use was not demonstrated until recently.

There was unanimous agreement at the March hearing that FM is superior to amplitude modulation for broadcasting on frequencies above 25,000 kilocycles. The use of a wide band of frequencies makes possible a reduction of noise to a greater extent than attained with narrow-band standard broadcast. There was testimony that a band width of less than 200 kilocycles can be used for FM, but this lessens the noise-discriminating quality which has been established by experimental operation with the wide channel. Testimony advocating the narrower band width was not supported by experience in program service. Moreover, the narrower band width would jeapordize use of facsimile transmission on the same channel. The Commission believes that regular program service should begin on a 200-kilocycle band basis which can be conveniently reduced if developments warrant. By adopting the wide-band FM channels at this time, it will be possible for the public to continue the use of receivers designed for wide-band reception even though narrower channels may later be authorized.

"The opening of a new band for commercial broadcast will help to correct numerous defects and inequalities now existing in the standard broadcast system", the FCC predicted. "These inequalities result from the scarcity of frequencies, their technical characteristics, and the early growth of broadcasting without technical regulation. There is today a lack of stations in some communities, and other communities do not have sufficient choice of program service. The establishment of the new broadcast band in the higher frequencies will enable many communities to have their own broadcast stations."

Experimental operations show that FM stations can operate on the same channel without objectionable interference with much less mileage than is possible with standard broadcast stations. FM has the ability to exclude all except the strongest

signal. Also, FM stations require much less mileage separation than do standard broadcast stations. The service range of FM stations, though limited, will in many cases be greater than obtained from the primary service of comparable standard broadcast stations.

The licensing of classes of standard broadcast stations in the same area with different frequencies and different power has resulted in a wide disparity in the extent of service to the public. The system of classification now employed for standard broadcast stations will not be used for FM stations. The rules and regulations and engineering standards to be issued for FM in the near future will enable applications to be made for facilities to serve a specified area. FM stations will be rated on the basis of coverage rather than power. Competitive stations in the same center of population will be licensed to serve the same area.

The present situation of certain standard broadcast stations having large daytime coverage and restricted nighttime coverage on duplicated channels will be avoided. The coverage of FM stations will be substantially the same both day and night. However, FM stations do not have the long-distance coverage of the present high-powered clear-channel standard broadcast stations. The latter may be required indefinitely, for widespread rural coverage. But for covering centers of population and trade areas, the new class of station offers a distinct improvement.

The Commission deems it in the public interest to allocate a contiguous band of frequencies to accommodate both commercial and educational FM stations. The band between 42,000 and 50,000 kilocycles is particularly suited for this service. Under the new allocation, the same number of frequencies heretofore assigned to non-commercial educational stations has been retained, the only change being that the position of such stations has been moved 1,000 kilocycles higher in the spectrum. This arrangement permits the same receiver to be used for the two services. The three educational institutions now authorized to use amplitude modulation in the non-commercial band can continue to do so, but the Commission hopes that subsequent applicants for non-commercial educational broadcast facilities will find it economic and otherwise preferable to utilize FM.

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A memorial stone in gray Cornish granite has been erected on ground adjacent to the site of the original Royal Needles Hotel, Alum Bay, in the Isle of Wight, to mark the position occupied by the first permanent wireless station, where the late Marchese Marconi and engineers of Marconi's Wireless Telegraph Co., carried out a series of experiments which placed wireless communication on a firm foundation, the Electrical Review, London, reports. The station was dismantled in June, 1900. The suggestion that such a memorial should be erected was made in 1938, and it has just been completed and is now open for public inspection.

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HOW 40 FM FREQUENCIES WERE REALLOCATED

Readjustment of the ultra-high radio frequencies to provide the 40 FM channels between 40,000 and 50,000 kilocycles, as well as seven channels below 108,000 kilocycles for television service, is pursuant to allocations contained in Commission Order No. 67.

The solution to finding space in the crowded radio spectrum for the needs of these two services was achieved with the cooperation of the Inderdepartment Radio Advisory Committee in shifting Government frequencies. This committee, representing 13 Federal agencies, advises the President in allocating radio channels for Government use.

The arrangement gives private services priority rights between 60,000 and 66,000 kilocycles and between 118,000 and 119,000 kilocycles in exchange for relinquishment to the Government of the bands 41,000 to 42,000 kilocycles and 132,000 to 140,000 kilocycles.

In addition, the Commission discontinued television service in the present television channels Nos. 1 and 8 (44,000-50,000 kilocycles and 156,000-162,000 kilocycles respectively). Accordingly, old television channel No. 2 will be renumbered television channel No. 1; and a new television channel No. 2 will be assigned from 60,000 to 66,000 kilocycles. Former television channel No. 8 (156,000-162,000 kilocycles), together with frequencies between 116,000 and 119,000 kilocycles, will be used to replace the assignments in the band 132,000 to 140,000 kilocycles. There is no change in the other eleven channels comprising the 162,000 to 300,000 television band.

The new allocations become effective immediately on a limited basis. After January 1, unlimited operation may be authorized. Regular commercial service employing wide-band FM, which may include the multiplexing of facsimile transmission simultaneously with aural broadcasting, will use the 43,000 to 50,000 kilocycle band, and non-commercial educational broadcasting stations are given the new frequencies 42,100, 42,300, 42,500, 42,700 and 42,900 kilocycles. This provides a continuous band for FM, thus assuring a degree of uniformity in the quality of the different frequency modulation channels and tending toward simplicity and economy of FM receiving sets.

The rearrangement permits the Commission to maintain seven television channels below 108,000 kilocycles and at the same time provide an adequate number of channels for frequency modulation. It expects these and other services to benefit by the changes.

It points out that sky wave interference on frequencies immediately below 50,000 kilocycles is greater than on the higher frequencies. While it likewise recognizes that shadows and fading

become more pronounced as the frequency increases, it nevertheless believes that such factors are not substantially different on frequencies in the vicinity of 60,000 kilocycles. Furthermore, it is generally conceded that the problem of diathermy interference is now most acute on frequencies immediately below 50,000 kilocycles. Thus, by allocating 60,000 to 66,000 kilocycles instead of 44,000 to 50,000 kilocycles to the television service, a good balance has been achieved between the effects of sky waves and diathermy interference on the lower frequencies and the effects of shadows and fading on the higher bands.

The miscellaneous radio services now assigned frequencies between 132,000 and 140,000 kilocycles will benefit by the changes in that 9,000 kilocycles are now allocated where formerly only 8,000 kilocycles were available. This can provide 70 channels as compared with 57 channels in the past. The change has the further advantage of providing two large blocks of frequencies for experimentation with different propagation characteristics.

"In considering these changes", explains the Commission, "it was necessary to weigh the particular needs and problems of the various non-Federal services as well as the Government's requirements, and to determine the permissibility of the allocation under our international undertakings; also to have regard for the future of radio operation in the services involved, from an international standpoint, so far as could be foreseen. The changes should result in improved service for all stations which are affected by the Commission's order and will fully meet the varied situations presented of a national and international character."

The Commission gives formal expression of its appreciation for the splendid cooperation and assistance rendered by the Government departments and agencies and by members of the Interdepartment Radio Advisory Committee in helping to solve this difficult problem. Thousands of Government station assignments had to be shifted.

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WARNER ELECTED HEAD OF RADIO CORRESPONDENTS

Albert L. Warner, one-time President of the White House Correspondents' Association, was elected President of the Radio Correspondents' Association at the annual meeting of Washington radio news men yesterday (Monday, May 20). Mr. Warner heads the Columbia Broadcasting System's Washington Bureau.

William R. McAndrews, of the National Broadcasting Co. was elected Vice President; Fred W. Morrison, of Transradio Press, Secretary, and Frank McCormack, of the Mutual Broadcasting System, Treasurer.

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TELEVISION DECISION DELAYED; FM ORDER DISTURBS

The Federal Communications Commission apparently is having some difficulties reaching an agreement on its television policy, it was indicated this week, as Chairman James L. Fly moved up the probable time of the decision. The latest forecast was that the FCC order would be issued "within ten days".

The television decision previously had been promised prior to the FM order and had been expected last week or early this week. Meanwhile, the FM order taking from television its No. 1 channel was reported by the New York Times to have caused some disturbance among engineers in New York.

"The Federal Communications Commission's assignment of television's No. 1 channel to the frequency modulation broadcasters has left telecasters using this wavelength 'out on a limb', according to a round-up of opinion among the radio engineers in the New York area", the Times reported.

"Until specific provisions are made by the FCC, it is not known whether the displaced operators will be shifted to the channel now known as 2 or if new frequencies will be allocated to them in the new channel assigned to television between 60 and 66 megacycles.

"In New York, channel No. 1 has been used by the Radio Corporation of America for research work and by the National Broadcasting Company for public television program service."

A Times' inquiry on whether NBC would stop operation of its No. 1 channel station atop the Empire State Building brought the following explanation from an NBC representative: "We must await the FCC's report on television, which we understand may be issued this week. Until then we will not know what provisions are to be made for television or to what channel we must move to when vacating No. 1.

"It will not be a big job to shift over to the channel now known as No. 2, which under the new set-up will be No. 1. But should we have to move to the new channel assigned to television between 60 and 66 megacycles, that would call for a new transmitter, and we might be off the air several months."

Since television receivers are pretuned to definite channels so that by the snap of a switch the operator shifts from one to the other, it will become necessary to retune the sets. This, it is explained, is a job for service men. It is estimated by NBC that 3,000 receivers are in use in the New York area.

Commenting on the FCC's decision, Major Edwin H. Armstrong, inventor of the "FM" system, said that the telecasters ought to be happy on being moved from their present No. 1 channel

because the waves have reached Chicago and such overlapping causes interference. He explained that interference would be less likely on the 60-66 megacycle path.

"It might cost at a maximum $20,000 to shift from the present No. 1 channel to the new 60-66 channel", continued Major Armstrong. "The important news in the FCC decision is that any town that can support an 'FM' broadcasting station now can get it because there will be plenty of channels which various towns can use without overlapping."

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U.S. RADIO EXPORTS RISE IN MARCH

United States exports of radio receiving sets in March were valued at $1,073,925, as compared with $730,417 in February and $875,746 in March 1939, John H. Payne, Chief, Electrical Division, Bureau of Foreign and Domestic Commerce, announced last week.

The United Kingdom was our principal customer, taking 60,682 sets valued at $440,182. Other major markets included Brazil, where sets valued at $77,059 were sold; Mexico, $60,810; Union of South Africa, $56,375, and Venezuela, British India, Chile, and the Philippine Islands, all of which took shipments ranging from $50,000 down to $38,000.

Great Britain was also the outstanding customer for radio receiving tubes, with purchases of $85,748. Canada followed at $30,026 and Australia was next with purchases worth $28,461. Total foreign shipments aggregated $305,925.

Canada and the United Kingdom also dominated the export markets for receiving set components, their respective shares amounting to $141,047 and $139,739 out of total shipments valued at $592,832. Argentina was also a good customer, accepting products in this field valued at $73,414.

Canada's purchase of $134,011 worth of miscellaneous telephone equipment represented almost 50 percent of the total of such shipments during the month under review.

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World Radio Market series released recently by the U. S. Commerce Department include: Trinidad and Togago, French Morocco, Anglo-Egyptian Sudan, Madeira, Turkey (regulations), British Honduras, and Mozambique.

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FCC HEARING TO AIR ROW BETWEEN LA GUARDIA AND CBS

The row between Mayor LaGuardia and the Columbia Broadcasting System that came out into the open in New York this week is expected to be aired thoroughly in Washington next week when the Federal Communications Commission hears testimony on the application of New York City's WNYC to operate nighttime on 810 kc.

The WNYC application is being opposed by Station WCCO, Minneapolis, a 50,000 watt station owned and operated by CBS, as well as by the State of Minnesota.

Mayor LaGuardia, in characteristic bluntness, attacked CBS and the Citizens Budget Commission of New York and said he would ask the FCC to investigate as possibly collusive their hostile attitude toward WNYC.

LaGuardia stated that a vice president of CBS, whose name he could not remember, had come to his office about a year ago and told him that WNYC's wavelength was to be allocated "to some commercial company".

"Needless to say, I threw the bum out of the office", the New York Times quoted the Mayor as saying.

CBS officials and officers of the Budget Commission issued immediate denials.

The CBS statement said, in part:

"Columbia is not seeking, and never sought, and has no intention of seeking, WNYC's wavelength and is therefore at a complete loss to understand the Mayor's language or its meaning.

"The meeting with a spokesman of the Citizens Budget Commission to which the Mayor referred had no connection whatsoever with this subject. As a matter of fact, the counsel for the Citizens Budget Commission, in the interest of the taxpayers of New York, sought expert advice on the operation of Station WNYC from the executives of various radio broadcasting companies, not merely Columbia. Two of Columbia's executives complied with this request in a spirit of rendering a public service to the City of New York...

"The statement that Columbia, at any time offered WNYC another wave length is wholly untrue. It is, moreover, obviously absurd because allocations under the law are the exclusive province of the FCC. The only thing CBS has offered WNYC is active and helpful cooperation in rendering a fuller broadcast service to New York listeners. . . ."

In reply to the CBS statement that "Columbis is not seeking, has never sought and has no intention of seeking WNYC's wave length", Mayor LaGuardia said, "If that is so, I assume they will withdraw their opposition which they have filed with the FCC against our application for full time. That ought to be a complete answer for them."

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TRADE NOTES

Gene Buck, President of the American Society of Composers, Authors and Publishers, has been subpoenaed to appear before a Federal grand jury in New York, with books and records of the Society, it was disclosed this week when attorneys for Mr. Buck moved to have the subpoena quashed.

Both attorneys for the anti-trust division of the Attorney General's office, who issued the subpoena, and Mr. Buck's counsel declined to comment on the nature of the investigation in which Mr. Buck was sought as a witness. It was pointed out, however, that a government suit that was brought against the society in 1934 had been defended successfully by the group.

Although Government collections in April of the 5 per cent Federal radio excise tax were 4.9 percent above April 1939 collections, the previous rate of increase, in the first quarter this year, was not maintained. Total radio tax collections last month were $300,253.82, compared with March, 1940, collections of $445,871.21 and comparable collections in April, 1939, of $286,584.97. Tax collections last April on mechanical refrigerators totaled $874,213.16, compared with April, 1939, refrigerator taxes of $848,640.07.

Graham L. Tevis has been appointed Assistant Chief Engineer of WABC, New York City, Edwin K. Cohan, Director of Engineering for CBS has announced. Mr. Tevis assumes his new duties immediately, working with Henry Grossman, WABC's Chief Engineer.

An address by A. D. (Jess) Willard, General Manager of Station WJSV, Washington, was a feature of the meeting of the Men's Club of Pinkney Memorial Episcopal Church Tuesday night in the parish house of the church in Hyattsville, Md.

Station KROD, El Paso, Texas, joins the Columbia Broadcasting System on June 1 bringing the network total to 119 stations in 118 cities. KROD is a newly-authorized station, operating with 250 watts power on a frequency of 1500 kilocycles, and becomes a CBS outlet on the day of its inauguration. The station is owned and operated by the El Paso Herald-Post Times.

Sherman D. Gregory, who has been General Manager of Station KDKA during the past two years, has been appointed Manager of NBC's owned and operated stations and will make his headquarters in New York, it was announced last week in Pittsburgh by William S. Hedges, NBC Vice President in Charge of the Stations Department.

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MERGER OF U.S. INTERNATIONAL COMMUNICATIONS URGED

American companies engaged in international telegraphy, both by cable and radio, should be consolidated "in order that their present facilities and future expansion may be coordinated along lines that are economically sound and in the public interest", Frank W. Phelan, President of All America Cables and Radio, Inc., told the American Scientific Congress in Washington last week.

After describing the activities of his company, Mr. Phelan said:

"While it is obvious that lack of competition would not be to the advantage of the public, it is evident that there is no longer any danger of this and that we are confronted today with a situation where there is too much rather than too little competition with the confusion which such state of affairs entails.

"Whereas the air mail has been assisted by subsidies from the Government of the United States, the American communications companies have neither expected nor received such assistance. In Great Britain consolidation of competing cable and radio interests has long been an accomplished fact. In my opinion, it is necessary to consolidate the American companies engaged in international telegraphy, both by cable and radio, in order that their present facilities and future expansion may be coordinated along lines that are economically sound and in the public interest.

"These companies all compete with the air mail in varying degrees. But they render a service which the air mail, with its many advantages in comparison with the ordinary mail, will never be able to perform. They are able to transmit and deliver the written word over thousands of miles in seconds or minutes and this fact was never better illustrated than in August and September last, prior to and following the outbreak of war in Europe, when the demand for the use of the facilities, fortunately more than adequate, of the international communications companies was unprecedented.

"Today the governments and peoples of the American republics are being more closely drawn together than ever before. We are perhaps becoming more united in the face of common problems and common interests. Certainly the motives of this country are no longer distrusted by our neighbors to the south. In bringing us closer together, the efforts of the American communications companies to provide service of the highest quality have unquestionably been a contributing factor."

"The first radiotelegraph circuit between New York and Buenos Aires was established by the Radio Corporation of America working with Transradio Buenos Aires in 1924", Mr. Phelan recalled. "A direct radiotelegraph circuit working with Radio Brazil at Rio de Janeiro was added by the Radio Corporation in 1926, and by 1934

the Radio Corporation was operating between the United States and the great majority of the Central and South American countries. The Tropical Radio Telegraph Company was also operating a number of radio stations in the Central American area which worked with each other and with the United States.

"In 1927 All America Cables, Inc. (formerly the Central and South American Telegraph Company) became an associated company of the International Telephone and Telegraph Corporation. The latter owned, or was shortly to acquire, extensive telephone properties in the American republics and, in conjunction with the American Telephone and Telegraph Company, had connected Cuba and the United States by telephone as early as 1921. This connection with Cuba was by submarine telephone cable, but subsequent international connections were to be made over much greater distances by radiotelephone. In connection with this development, a number of radio stations were erected by the companies associated with the International Telephone and Telegraph Corporation in the American republics. They worked telephonically with the stations of the American Telephone and Telegraph Company in the United States, with each other and with government or privately owned stations in Europe. Telegraphically they worked with the stations of the Mackay Radio and Telegraph Company in the United States, which also operates radiotelegraph circuits to certain other stations in Central America and the West Indies. International radiotelephone facilities between New York and Buenos Aires were opened to the public in 1930 between the American Telephone and Telegraph Company in this country and the Compania Internacional de Radio (Argentina). . . . . .

"Broadcasting has made enormous strides in recent years, and I ought not to omit to mention the fact that today private broadcasting companies in the United States are transmitting over seven short wave broadcasting stations a variety of programs to the American republics. Special events occurring in this country are often re-broadcast through the facilities of local stations in Central and South America.

"It is my hope that I have described the history and growth of inter-American electrical communication in sufficient detail to give you a conception of the magnitude which today's facilities have assumed."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.
GENERAL LIBRARY
30 ROCKEFELLER PLAZA, NEW YORK, N. Y.
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MAY 27 1940
WILLIAM KOSTKA

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No. 1237

HOUSE REFUSES FUNDS FOR U.S. RADIO DIVISION

An overwhelming voice vote on the House floor yesterday (Thursday, May 23) spelled the end of the Radio Division in the Office of Education.

The vote came late in the day on an amendment offered by Representative Coffee (D.)., of Washington, to strike out a section of the Relief Appropriation Act barring use of any of its funds for radio, film and theater work.

The House shouted down the amendment without debate. Education officials saw little hope that the action would be reversed in conference.

Representative Coffee, in his remarks on the amendment, said:

"Mr. Chairman, Section 24(c) forbids the use of any of the funds appropriated in the Works Progress Administration bill for the use of radio broadcasting or motion pictures. It seems to me that, when the Nation's security is imperiled and when the value and importance of our natural resources - our supplies of timber, coal, oil, copper, and the strategic minerals - are things of great concern to us, we would be aiding national defense and the conservation aspects of this bill if we did not specifically bar the way to whatever small sums may be necessary to continue at their high standard such a fine series of conservation programs on the air as What Price America?

"If the United States is to defend itself against all comers, we must preserve and conserve our natural resources. And if we are effectively to preserve and conserve our natural resources, we must see that all Americans are aware of the problem and of its importance.

"The Department of the Interior and other departments are interested in conservation. They have dramatized the need of it on the air, and I hope they will continue to dramatize. These programs are non-partisan in character. They are not Republican or Democratic. No Member on either side of the aisle can charge that they are. They are conservation programs, dedicated to the cause of awakening the national conscience to the importance of preserving for ourselves and our posterity the great heritage of natural resources which a bountiful Providence bequeathed to us.

"More than 105,000 Americans were so moved by the importance and need of conservation in the United States, as a result of one of these educational series alone, namely, What Price America? that they wrote in for literature on the subject. That is the kind of education we need in this country of ours. That is why I hope we will not deprive any of these conservation agencies of the few thousand dollars that they might need for radio broadcasting.

"If a foreign foe ever invades the United States - which God forbid - it will be because our Government and our people did not know how to conserve and utilize wisely our abundant natural resources. I hope the amendment I have offered will prevail."

The radio project was written off the same week that a ruling of the Federal Communications Commission opened the way for what officials saw as a boom for education through radio. The FCC set aside five broadcast channels for non-commercial educational stations to use a new non-static "frequency modulation" type of broadcasting. These new radio channels, officials said, would permit building up to 3,000 local stations for education work, compared with the 1,200 now operating. In this program, education officials had expected the Radio Division to continue its work of aiding radio projects in schools, colleges and other educational institutions.

During the past four years the Radio Division has cooperated with nearly a score of schools and colleges in radio research and demonstration. It has furnished a script exchange for the 1,200 local radio groups. Loans of its scripts have totaled about 250,000.

In addition the project has produced some 700 programs on education, safety, science, literature, democracy, history, Americanism and other topics. New programs under study for the next year included one series to show the contributions of various sections of the United States to national development, and another to encourage children's reading.

The Division had sought an appropriation in the Federal Security bill to organize its work on a permanent basis. The item was left out after Congressmen objected that the agency had never been authorized. Their bid for $250,000 in the Relief bill would have continued their appropriation at the same rate as in the current year. Normal staff of the Division has been about 200 persons. About 175 persons now employed are from the WPA rolls.

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TELEVISION ORDER DELAYED UNTIL NEXT WEEK

While the Federal Communications Commission held several meetings this week on television, its decision will not be announced before next week, and FCC spokesman said.

There has been no announcement as to the date when the order will be released, but it is expected early next week or before Decoration Day.

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FCC AMENDS RULES, DISMISSES 150 APPLICATIONS

Following up its order allocating frequency modulation 40 channels, the Federal Communications Commission this week issued an order amending its rules and regulations to conform, changing the assignments of 26 stations, and dismissing the applications of 150 stations for channels no longer available for the purpose sought.

The stations whose frequencies were changed were given 30 days to file formal notices in opposition before the new rules become operative.

Under the amendment to Appendix B of the General Rules and Regulations, the following allocations are made:

41,000 to	42,000 kc.	- Government (Jan. 1, 1941)
42,100 to	49,900 kc.	- Broadcast
60,000 to	66,000 kc.	- Television (Jan. 1, 1941)
116,000 to	118,000 kc.	- Experimental (Jan. 1, 1941)
118,000 to	119,000 kc.	- Experimental (Jan. 1, 1941)
119,000 to	129,000 kc.	- Government
132,000 to	140,000 kc.	- Government (Jan. 1, 1941)
156,000 to	162,000 kc.	- Experimental

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TAXI, UNDERTAKER FIND NEW USES FOR RADIO

Attention of the Federal Communications Commission has been called to alleged use of radio by a Philadelphia taxicab concern for dispatching purposes. The Commission has granted no authorization for such class of private service and is making inquiry.

The Commission has warned an Illinois undertaking firm that intercepting police radio calls for the purpose of dispatching private ambulances to the scene of traffic accidents for the solicitation of business is a violation of the law.

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WAR SPURS INTEREST IN RADIO IN INDIA

The growing interest in broadcasting in India under war conditions is reflected in the import figures of broadcast receiving sets for the quarter ending December 31, 1939, which reached the total of 11,999, the highest for any quarter so far, according to the American Consulate General at Calcutta. The total number of sets imported into India during 1939 was 39,524. The month of December in 1939 was a record month for the issue of broadcast licenses which reached the figure of 10,873, but of which 4,482 were new licenses. This brings the total number of licenses in force at the end of 1939 to 92,772.

The Government of India has made new rules for the licensing of wireless receiving apparatus. Under these rules, a person who works any wireless receiving apparatus without the requisite license or continues to work any such apparatus after the expiration of his license is made liable to a surcharge of 20 rupees in the case of a broadcast receiver license and 50 rupees in the case of a commercial broadcast license.

A press release issued by the Government of India a few months ago states that all municipal and other similar public bodies which reproduce broadcast programs to the general public by the installation of wireless receiver sets or loud speakers in public places are permitted by the condition of their licenses to reproduce in public programs broadcast by the All-India Radio only. No programs broadcast by any other radio station are permitted to be reproduced.

The Government of the United Provinces has instructed the District Police to see that radio receiving or broadcasting sets or any such material do not fall into undesirable hands. Radio dealers have been requested by the Police to keep them informed of any abnormal demand that may arouse suspicion. The trade is also required to submit to the authorities a list of persons who have purchased sets after the declaration of war.

Studies of reception conditions, particularly with reference to the internal short wave service, are being made by All-India Radio. Pulse measurements are taken and the results so far obtained show that the transmission on the 31 meter band in the morning gives somewhat unsatisfactory reception within 300 miles of the transmitting station during July and August due to the intervention of 'skip distance' effects. Research in this matter is being made with an exhaustive study of ionospheric conditions. Frequencies of the stations of All-India Radio are checked regularly by the research workers at the Todapur Receiving Center of Delhi. Any appreciable deviation is rectified. Reception conditions of the British Broadcasting Corporation stations are also kept under continual observation.

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GROWTH OF MARINE RADIO CITED BY COMMISSION

Marine uses of radio has grown by leaps and bounds in recent years, the Federal Communications Commission points out in a review of its duties in connection with the work. During the last three years, the FCC said, the number of ship radiotelephone licenses has increased more than 300 percent.

The Communications Act contains specific provision with respect to the employment of radio for the promotion of safety of life and property at sea, and the duty of enforcing the radio provisions of the International Convention for the Safety of Life at Sea adds to the Federal Communications Commission's responsibility in this field.

There are two general types of marine radio services: ship radiotelegraphy, using telegraph code signals; and ship telephony, permitting voice conversation. The large ships which are required by law to provide radio facilities are equipped with radiotelegraph equipment. However, the smaller vessels which are not required by law to be radio-equipped find it more convenient to employ radiotelephony to communicate with other ships and the coastal harbor stations on land.

Licenses to operate ship radio stations are issued by the Commission. At the present time there are more than 4,300 outstanding ship licenses. Approximately one-half of this number are issued to ship telephone stations. Twenty coastal harbor stations have been licensed to communicate with ship telephone stations; four others are under construction.

Ship and shore telephone radio frequencies are now active with transmissions to and from vessels navigating the Great Lakes, the coastal waters, and the inland waters of the United States.

The specific frequencies 2738, 35,860, and 37,660 kilocycles are assigned to ship telephone stations for communicating primarily with other ship telephone stations. That of 2738 kilocycles is the one most widely used at the present time. The ship-to-shore frequencies are governed by the respective frequencies of the individual coastal harbor stations. Various frequencies throughout the spectrum are assigned to ship radiotelegraph communication, the frequencies 3115, 3120, 35,860 and 37,660 being used primarily for contact with other ship radiotelegraph stations.

The privilege of operating a radio transmitting station aboard United States ships is limited to citizens. Heavy penalties are provided by law for the operation of a ship radio station by unlicensed personnel.

In the past the owners of small craft had been reluctant to use radiotelegraphy, since a knowledge of the International Morse Code is required for this type of communication. With the advent of radiotelephony these vessel owners have been able to equip their boats with such service and act as operators themselves without acquiring a working knowledge of the telegraph code. However, a person who holds an amateur operator license only is not permitted to operate any class of ship station. Under certain conditions, the holder of a restricted radiotelephone operator permit may operate a ship radiotelephone station. Adjustment of apparatus can be made only by a licensed operator holding at least a Second Class Radiotelephone Operator License.

The Commission maintains special marine safety radio watches at Baltimore, Md., and Portland, Ore. These stations are manned on a 24-hour basis by trained experts equipped with special marine receivers, auto-alarms, and frequency measuring apparatus. Here observations and frequency measurements are made regularly on all classes of ship radio stations. A ship station may have its frequency thus measured many times a year, yet no report is made to the licensee unless an off-frequency condition is found to exist.

Under the law, all radio stations are required to give absolute priority to radio communications or signals relating to ships in distress, must not cause interference to such calls, and must assist distressed vessels as far as possible.

Under the rules of the Commission, ship stations are not permitted to make one-way calls to fixed points on land, nor are they normally permitted to communicate with amateur stations. Needless "chatter" is also frowned upon.

Detailed information about ship radio service may be found in the following three publications obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at the prices indicated: "Rules Governing Ship Service"(Part 8), 10 cents; "Rules Governing Commercial Radio Operators" (Part 13), and "Study Guide and Reference Material for Commercial Radio Operator License Examinations", 15 cents.

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The Federal Communications Commission this week adopted proposed findings of Fact (No. P-5) and entered an order granting the application of Eddie Erlbacher for a construction permit to erect a new coastal harbor radio telephone station at Cape Girardeau, Mo., to operate unlimited time on frequency 2738 kilocycles, with power of 50 watts. In this connection the motion of Warner and Tamble Radio Service, to remand the case for further hearing, was denied.

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RADIO CORRESPONDENTS CELEBRATE FIRST ANNUAL DINNER

Hailed as the forerunner of another outstanding yearly event in a class with the Gridiron or the White House Correspondents' yearly gatherings, was the First Annual Dinner of the Radio Correspondents' Association at the Mayflower last night (Thursday, May 23). The Association includes the principal radio commentators of Washington and is made up of members of the Radio Correspondents' Galleries of the Capitol. Up to a year ago only the press had galleries in the Senate and House. They refused to take the radio commentators aboard and as a result of a fight led by Fulton Lewis, Jr., of the Mutual Broadcasting System, legislation was enacted by Congress reserving a front row of seats alongside the Senate and House Press Galleries for the radio news men, and giving them a workroom at each end of the Capitol, where broadcasting equipment is now kept and where the announcement of big news events may be put on the air at an instant's notice. Further recognition for the radio correspondents is the fact that this year for the first time they will have seats and facilities provided for them at both the National Conventions and will receive exactly the same courtesies as the press.

Having made that much progress in a year, the Radio Correspondents' first dinner was a happy occasion, outstanding credit being given to Mr. Lewis, President of the organization, by Postmaster General James A. Farley, Senator W. Warren Barbour, of New Jersey, Senator John A. Donaher, of Connecticut, and Representative John J. Dempsey, of New Mexico. Mr. Lewis gracefully passed the bouquets back to the legislators who made possible the creation of the Radio Correspondents' Galleries. There was an important off-the-record talk by Gen. George C. Marshall, Chief of Staff of the United States Army, who gave assurance that there would be no cause for undue apprehension in wartime government radio control. There were several very clever radio skits by electrical transcription, and altogether the dinner was a great success.

At the conclusion, Mr. Lewis inducted his successor President-elect Albert L. Warner, of the Columbia Broadcasting System, into the new office.

Among those present from out-of-town were Alfred J. McCosker, President of the Mutual Broadcasting System; Frank Mullen, Vice-President of the Radio Corporation of America; and Niles Trammel, Vice-President of the National Broadcasting Company. Absent was Chairman James L. Fly of the Federal Communications Commission.

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TRADE NOTES

World radio market series issued by the Department of Commerce this week included Falkland Islands, British Somaliland, British Honduras, and Mozambique.

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The Federal Communications Commission this week discharged an order to show cause why the license of the Voice of Brooklyn, operator of WLTH, Brooklyn, N. Y., should not be revoked. It was explained that "interference conditions existing at the time of the issuance" of the first order have been eliminated.

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Station WLW will broadcast directly over special lines from the Republican National Convention in Philadelphia beginning June 24, according to James D. Shouse, Vice President of the Crosley Corporation in charge of broadcasting. WLW will send a staff of four men to cover the convention. They will include Peter Grant, chief announcer and ace commentator, and Fred Thomas, script writer for Grant's regular nightly programs over the station.

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An administrative order (No. 4) of the Reich Trustee for Communication Devices, forbids the manufacture of 88 types of radio types in Germany, according to the American Embassy in Berlin. It is understood that many of these types are identical and only traded under different denominations as the coordination and standardization program of the German radio industry called for a reduction from the 66 different types of radio tubes produced at the end of August of 1939 to only 23 types in the production year 1940-41. The Administrative Order seems to have been issued along these pre-established lines.

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SOVIET UNION EXPANDING RADIO SERVICES

The Soviet Union is engaged in considerable expansion of radio service, according to Pravda, Moscow. On January 1 last there were about 4,000,000 relay stations connected with State broadcasting stations; the number of these will be increased in 1940 by 561,000, the report states. Particular attention will be paid to service in the outlying Union republics, Kazakhstan, Uzbekistan and Gruzia; in all of these the number of relay stations will be increased over those set up in 1939. Similar expansion will take place in rural districts, where new broadcasting stations of 500 watts or more, capable of serving 2,000 relay stations, will be installed. This will be a considerable improvement over present conditions, and the use of 5-10 watt sending apparatus. Special electric stations will be built to provide the necessary power. To improve the quality of service, the network of wired distribution in Moscow, Leningrad, Kiev, Baku and other cities will be rebuilt.

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ROW CONTINUES BETWEEN LA GUARDIA AND CBS

With a hearing scheduled before the Federal Communications Commission on Monday, May 27, the row between Mayor LaGuardia and the Columbia Broadcasting System over New York's municipally owned station, WNYC, continued this week.

Mayor LaGuardia said he would submit to the Federal Communications Commission in "a day or two" his charge that the Columbia Broadcasting System and the Citizens Budget Commission were conspiring to end municipal operation of radio station WNYC.

The Mayor made the statement after Peter Grimm, Acting Chairman of the Commission, had said that Mr. LaGuardia's reply to his demand for the facts on the allegation contained "no facts", but made "offensive remarks" concerning Harold Riegelman, counsel, and Henry J. Amy, Executive Secretary of the Commission (Citizens Budget Commission)."

The Columbia Broadcasting System issued a statement accusing the Mayor of adopting tactics, along with "dark hints" of more serious offenses and implications of conspiracy behind bolted doors, intended to "hide the facts" and serve as "very fancy window dressing" for the two things he wants. These were said to be to block the Budget Commission's fight against a city appropriation for WNYC and to gain greater privileges on the broadcasting band from the FCC.

The statement explained that despite attacks on CBS, in which the Mayor "has persisted in rolling together separate issues involving the Budget Commission and WNYC", the only issue between CBS and Mr. LaGuardia is the WNYC application to extend its operations to full time on 810 kilocycles. The petition for extension in time on the air, the radio chain contended, would adversely affect WCCO, CBS outlet in Minneapolis, which shares the same channel with the municipal station.

In reference to the Mayor's charge accusing CBS of attempting to deprive WNYC of its wave length, it was stated:

"The sole issue here is between the Mayor and the Budget Commission, and apparently is: Shall a sum of $118,000 be appropriated by the City Council for operation of WNYC for the next fiscal year? The Budget Commission says no. The Mayor says yes. Outbursts against Columbia serve merely to befog the issue.

"Statements that CBS wants to 'grab' WNYC's channel are not true so far as Columbia is concerned, and so far as is known, there is no action anywhere which would challenge the city's right to its wave length."

The New York Times in an editorial criticized Mayor LaGuardia for his intemperate remarks but urged retention of WNYC as a municipal station.

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THREE-WAY PHONE CONVERSATIONS FORECAST

Marcello Creti, an inventor under 20 years of age received from the hands of Signor Mussolini recently the Gold Medal of the Fascist Syndicate of Inventors. He had invented the amplitele, an apparatus which, as soon as it is put to practical use, will enable A in Rome, B in London, and C in New York, to hold simultaneous conversation. The apparatus is described by the Rome Weekly News:

"On the right side it has a vertical line of numbers; on the left side a line of buttons. The fundamental characteristic of the apparatus is its power of amplifying the voice to a normal conversational pitch which can be heard all over a room instead of only in close proximity to the instrument, as with our present telephones. As many people can join in the conversation as there are buttons on the left side of the amplitele.

"To make use of the apparatus, it must be connected with the telephone. By pressing the first button you get the signal 'all clear'. Then call the number of the subscriber with whom you wish to speak. Unless there is some obstruction, you will hear his voice at once, as clear and as loud as though he were present in the room.

"If it is desired that a third person should join in the conservation, press the second button and call up the subscriber in question. In a few moments the three will be talking together without any more effort than if they were sitting around the same table.

"From all parts of the world the inventor is besieged by offers to exploit his wonderful machine. But foreign firms must wait until the amplitele has been regularly set up in Italy."

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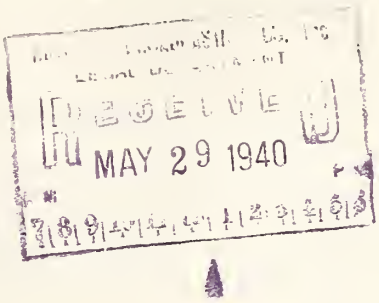
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.



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No. 1238

May 28, 1940

TELEVISION COMMERCIALIZATION BY FALL FORECAST

An agreement within the infant television industry that will pave the way for complete commercialization by Fall was forecast in quarters close to the Federal Communications Commission following the release of the FCC decision that visual broadcasting would remain "experimental" until the industry agrees on uniform transmission standards.

The FCC, which was put on the spot six weeks ago when it abruptly rescinded its previous order allowing limited commercial television on September 1 next, apparently had turned the tables on the industry by putting it in a position of holding up commercialization by internal discord.

The Radio Manufacturers' Association will take up the FCC challenge at its annual meeting in Chicago, June 11-12. However, the Allen B. DuMont Laboratories, Inc., which is the chief rival of the Radio Corporation of America in the television field, is not a member of the RMA. Consequently, further conferences at which DuMont is represented doubtless will follow the RMA meeting.

The FCC decision - 29 mimeographed pages in length - was largely devoted to a defense of its previous action and was interpreted by part of the industry as a face-saving move before giving television a full "green light".

On the other hand, it was admittedly a shrewd ruling that shifted the responsibility for delay from the FCC to the industry.

While the Commission made no specific promise that it would authorize complete commercialization as soon as the majority of the industry is in accord on transmission standards, the implication was plain.

The FCC press release, in fact, was even stronger than the Commission's own decision in this respect.

"Full commercialization of television was today promised by the Federal Communications Commission as soon as the engineering opinion of the industry is prepared to approve any one of the present competing television systems", the press release stated.

The Commission's order went on to say:

"As soon as the engineering opinion of the industry is prepared to approve any one of the competing systems of broadcasting as the standard system the Commission will consider the authorization of full commercialization."

The FCC took another pot shot at David Sarnoff, President of the Radio Corporation of America, whose newspaper advertisements caused the Commission to withdraw its former order granting limited commercialization of television September 1 and to hold a second hearing last April.

"It is obvious", the FCC commented, "that the industry as a whole does not share the RCA view of forging ahead regardless of the untested possibility of improvements on the horizon.

"It further appears that the industry was not prepared to accept Sarnoff's premise of 'We live on obsolescense' as a basis for justifying a heavy public investment at current levels of efficiency."

The FCC in its decision blew hot and cold at times. In one place it stated that monopoly must be guarded against; yet it insisted that a single system of television transmission is essential. It stated in one portion of the report that "standards of transmission should not now be set", and yet a little later it invited the industry to confer with the FCC at once with the idea of solving the problems blocking commercialization.

The conclusion of the Commission's report follows:

"The rules adopted by the Commission on February 29, 1940, were intended to provide for a more rapid development of television by permitting programming experiments concurrently with necessary technical research leading to establishment of transmission standards by the Commission. Subsequent events, however, have demonstrated that commercial television broadcasting without the complete cooperation of the manufacturing industry, is irreconciliable with the necessary objectives of further technical research and experimentation.

"The positions of the different companies on this whole problem cannot be viewed with total disregard of the patent interests of competing manufacturers which find expression in a desire to lock the scientific levels of the art down to a single uniform system based in whole or in part upon such patents. The functions of this Commission are not to be usurped and utilized as a means of monopolizing this important industry either through this or other devices.

"It is essential to the program of television that there be not a mere semblance of competition, but that there be a genuine and healthy competition within an unfettered industry.

The American system of broadcasting has been established by the Congress on a competitive basis. Television will be an important part of that system. Now, if ever, television is at the crossroad of monopoly or a healthy progressive competition. There can be no doubt as to the direction in which the Commission should, within its powers, attempt to guide it.

"The fluid state of the television art and the desirability and need for further technical research before transmission standards are prescribed by the Commission were once again clearly manifested at the Commission's most recent hearing. Engineering opinion on many of the basic problems is still divided at this time. The industry now is no less anxious to continue further engineering improvements on basic aspects of the science than it was at the time of the Commission's earlier hearing. RCA's own engineering expert, for example, testified that his preference was for a system using 507 lines and 30 frames rather than the existing RMA standard of 441 lines and 30 frames. And in fact the very basic problem of what channel width or band of frequencies television shall employ must be regarded as a question not yet closed.

"Contrary to the experience of other industries which have found that technical improvements were stimulated by large public use, in the television field a major portion of the industry takes the view that successful promotional activities at this time can act only as an anchor on experimental efforts to go forward. Premature crystallization of standards will, as has thus been pointedly illustrated to the Commission, remove the incentive for technical research toward higher levels of efficiency. If technical research having this goal is retarded or halted, the Commission's duty to fix transmission standards with due regard for considerations of public interest will have been, for all practical purposes, nullified.

"It is, therefore, the conclusion of the Commission that in order to assure to the public a television system which is the product of comparative research on known possibilities, standards of transmission should not now be set. It has further been decided that there should be no commercial broadcasting with its deterring effects upon experimentation until such time as the probabilities of basic research have been fairly explored. The Commission agrees with the industry that the earlier plan for arriving at commercial operations by an intermediate half step of partial commercialization to be taken next September cannot be relied upon to serve a useful purpose. The provisions in the rules for Class II stations will be eliminated. As soon as the engineering opinion of the industry is prepared to approve any one of the competing systems of broadcasting as the standard system the Commission will consider the authorization of full commercialization. That a single uniform system of television broadcasting is essential - so far as basic standards are concerned - must also be amply clear. The public should not be inflicted with a hodge podge of different television broadcasting and receiving systems.

"It may be expected that industry opinion will insist upon such standards as will give definite assurance of satisfactory performance and of continuity of service for the public comparable to the continuity of service displayed in the past history of the radio industry. At the same time these basic standards - the standard gauge they may be termed - should afford within their limits reasonable flexibility for future advances in the science of television broadcasting. With the view to encouraging research and experimentation on a wholly flexible basis, the Commission is prepared to authorize broader, experimental operations by existing stations and by a number of additional stations.

"Action will be taken promptly upon a number of pending applications for television experimental stations. These will be apportioned among various parts of the country with the view of forestalling any concentration of facilities in particular centers of population to the exclusion of the rest of the country. At the same time this will serve to provide further experimentation on the different systems on a comparative basis. Among the additional cities under consideration for such facilities are San Francisco, Los Angeles, Chicago, Washington, Albany, Cincinnati, Boston, and others. Each station will be utilized for the predominant purpose of advancing the science of television broadcasting in its engineering aspects. The Commission invites other responsible individuals or companies who are prepared to carry on this work to apply for a license.

"Certain basic policies in the licensing of these experimental operations will be followed. A substantial job of research must be done by each station. The channels available are strictly limited, and they must be utilized in the public interest. The radio spectrum is public domain - development in television must be undertaken and advanced in order that this domain be devoted to the best public use. There is no room for squatters and there can be no preemption in this field. Monopoly must be avoided. Free competition is to be promoted and preserved. Accordingly the Commission deems it to be in the best interests of the public that there be a strict limitation on the number of authorizations to any one licensee for television broadcast stations which as a part of the experimentation may take programs to the public. In addition, rules for the regulation of television stations engaged in chain broadcasting will be promulgated at an appropriate time.

"No time limit can now be set for the adoption of standards. The progress of the industry itself will largely determine this matter. The Commission will continue its study and observation of television developments and plans to make a further inspection and survey in the early Fall. Meanwhile the Commission stands ready to confer with the industry and to assist in working out any problems concerned with television broadcasting.

"Revised rules designed to carry into effect the conclusions reached herein will be issued in the near future."

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U.S. MILITARY WILL NOT TAKE OVER BROADCASTING

A high official in the War Department told this writer that if the United States entered the war, military officials would not take over broadcasting. He said that it would be under civil control.

"Taking over broadcasting by the Army would involve censorship and we have far too many other things more immediately concerned with combat to have to take on that responsibility."

This official said that the time most feared by this Government, if we went in, is the first two weeks.

"So far as radio is concerned then", a prominent broadcaster asked, "it would be 'Business As Usual'."

"We most certainly don't want a radio blackout", he replied.

The broadcaster suggested that there should be a radio dress rehearsal, exactly what we would do and how we would do it.

"Whereas sometime ago there was little real interest in national defense, recently there has been an almost unbelievable change and now everybody wants a rehearsal. I do think, though, a dress rehearsal of exactly how radio facilities would be handled in time of war would be a good thing."

Although the official was not specific he gave the impression that broadcasting stations would continue to go along about as now except that there might be some governmental civilian control. He said in conclusion that the American radio public was the best and most honestly informed in the world.

"In time of war we would try to keep it so excepting necessary secrecy regarding military operations. It is good for people to know the truth."

"Then you have faith in the people in time of war?" he was asked.

"Hell, yes", the War Department higher up exploded, "if you haven't got the people with you, you haven't got anything."

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The Federal Communications Commission has granted the application of Neptune Broadcasting Corp. for a construction permit for a new radio broadcasting station at Atlantic City, N.J., to operate unlimited time, using the frequency 1420 kilocycles, with power of 100 watts night, 250 watts day, upon the condition that the corporation file an application for modification of construction permit, specifying the exact transmitter location and the antenna system, within two months.

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FREE RADIO ESSENTIAL TO DEMOCRACY, SAYS FLY

"As education has long been essential to democracy, a radio system to serve the public interest has now become essential to education", James L. Fly, Chairman of the Federal Communications Commission, declared in an address Sunday at the dedication of a studio at the University of North Carolina, Chapel Hill.

"Public education and an intelligent, well-informed public opinion are basic in our way of life", he continued, "and in our process of self government.

"In sharp contrast, under other systems, mental and spiritual subjugation have preceded the subjugation of peoples generally and their eventual alignment with machines which rule by force.

"In general it may be observed that rule by force has not been accomplished internally where there existed a free educational system and the unfettered means for the reception of information.

"Seizure of the radio has been an early step in the process of subjugation."

"Radio is an advancing art", Mr. Fly continued. "As new forms are developed, and more and better facilities are provided, radio will, if possible, exert a still greater force upon our lives. The Commission has recently authorized the full commercial operation of frequency modulation - which will give an improved radio service and open up a range of frequencies not heretofore in use by radio. Particular care was taken to set aside a number of the FM frequencies to be utilized exclusively by educational stations.

"Research and experimentation in television are advancing and in a few years this combination of radio sight and sound may be expected in your homes.

"But radio <u>today</u> is one of our mightiest forces - it has served and does serve important functions.

"In passing, we ought to recognize the great work which the radio broadcasters are doing in the presentation of war news and commentaries, their balanced reporting of general information and their grants of time for the discussion of public issues. Editorial attitudes are seldom displayed by broadcasters. These services lead toward the goal of a well-informed public -- the best informed public in the world. Under these circumstances the legal right to form an independent judgment upon public issues takes on real substance.

"Much time has been given to programs by educational institutions. And this makes possible the effective work of studios such as this of the University of North Carolina.

"One of your problems is to devise programs and methods of presentation which will reach actual listeners. A possible listening public is not sufficient. But, into these questions as to particular programs and techniques, I shall not intrude. It is of greatest importance as a matter of principle that the work done here shall be designed fairly and effectively to promote the informational needs of the people. In that way, the cause of democracy is served."

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MINNESOTA UNITES IN FIGHTING WNYC APPLICATION

The State of Minnesota, including its Congressional delegation, opened a fight this week before the Federal Communications Commission against the application of Station WNYC, New York, for authority to operate at night on 810 kc., which it now shares with WCCO, Minneapolis.

Protest against the application for extension filed by WNYC was presented at the opening of the FCC hearing by Alfred W. Bowen, special counsel representing J.A.A. Burnquist, attorney of Minnesota, and supported by Representatives Andresen, Youngdahl Anderson and Knutson, all of Minnesota. The legislators attended the hearing.

Each Minnesota Representative entered an objection to "anything that will impair the efficiency of WCCO", Mr. Knutson reinforced his protest with a warning that "we will not take lying down" any decision favoring New York City at the expense of the area served by the Minneapolis station.

"We have intervened as much for the benefit of remote listeners beyond the borders of our State as for the people of Minnesota", Mr. Bowen, speaking for Attorney General Burnquist, told R. H. Hyde, FCC Examiner. He said the station employed "the only clear channel in the entire area embracing the four States of Minnesota, Wisconsin, North Dakota and South Dakota."

"Listeners in New York", he went on, now have a choice among some twenty-three local radio stations, including three clear channels. Throughout the great area served by WCCO, many people can hear clearly only that station. It would seem inequitable to add to this existing greater choice in New York by depriving millions of people in the area we represent of the only major station they can hear clearly.

"The State is not concerned with the identity of the station which occupies the clear channel. But we are concerned with the continuance of that clear channel in its present location and standard of efficiency as the basis of the present rights and privileges of our people and of the people within the area mentioned. The State intends to do, as we believe the Commission will do, everything possible to assure an equitable allocation of radio channels and to maintain the treaty principle of clear channels.

"This is not an ordinary proceeding. It is not a controversy between private litigants. In this proceeding the private litigants are one of three parties. There is the great City of New York with its millions of fine urban people concentrated in a relatively small plot of ground. A like number of good, rural people live throughout some five or six States of this Union in an area which is as large as warring Europe.

"When Mayor LaGuardia on March 29 testified for applicant WNYC, he stressed the great population of New York. He also advanced certain views about radio broadcasting being as much a governmental function today as police and fire protection; that all private broadcasting rights are privileges only and subject to the mercy of the Commission.

"At this time, because there is no occasion or intent to argue these matters, we will say merely that we do not agree with the Mayor. The State of Minnesota does not seek a controversy with the City of New York. On the other hand, we will not run away from any controversy which, in the course of our efforts to protect our people, may be forced on us. The Attorney General of Minnesota intends to do everything in his power, according to law, to protect the public interest for which the State has intervened."

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AIRCRAFT RADIO WITH 100-MILE RANGE URGED

The speed of modern military airplanes calls for larger radio communications units capable of carrying 100 miles under all conditions, adcording to General Short who attended the Third Army commanders war games at Camp Beauregard, La., last week.

General Short said that the speed of movement had increased both the importance and difficulty of communication. He urged that the radio equipment provided for large units be such as to give positive communications for 100 miles under all conditions. The range now was much less than that, he said, recommending also that the facilities for wire communications be increased.

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TRADE NOTES

The Federal Communications Commission has approved sale of Station WSPA, "The Voice of South Carolina", to the Spartanburg Advertising Company. Virgil Evans, who has operated the station for a number of years, is retiring from the radio field to devote his entire time to his newspaper, the Spartanburg News.

Howard L. Schreiber has been appointed Sales Service Manager of Radio Sales, a division of the Columbia Broadcasting System, Howard Meighan, Eastern Sales Manager of Radio Sales, has announced. Mr. Schreiber, who has been with Radio Sales since its inception five and a half years ago, will supervise the handling of contracts and service the Radio Sales' accounts.

Will Baltin, radio and theatre editor of the New Brunswick (N.J.) Daily Home News and the Sunday Times since 1932, has been appointed program director for the new Allen B. DuMont television station, W2XWV, now under construction at 515 Madison Avenue, New York City. Baltin will assume his new duties on June 3. Baltin inaugurated what is believed to be the first sustaining newspaper column on the subject in 1936. It appeared in the Sunday Times.

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BBC EXPLAINS HANDLING OF URGENT NEWS

Every day the Monitoring Service operated by the British Broadcasting Corporation listens to some 500,000 words from broadcasting stations in all parts of the world. And every day in that spate of speech there is news of urgent importance - too urgent to await inclusion in the 45,000-word daily digest of foreign broadcasts. Such news must be dealt with at speed - flashed without delay to Government departments and to the BBC's own news services - and the necessity has brought into being a special information bureau, on duty throughout the twenty-four hours.

The bureau is divided into two sections, Intelligence and News, and the demands made upon it keep at least six people working at high pressure in each of the three daily shifts.

"An illuminating glimpse of the call upon the bureau's services is given by the fact that, in one day recently, over 20,000 words from the Intelligence section and over 7,000 from the News section, were flashed by telephone to official destinations", the BBC explains. "Those words represented no fewer than 639 separate messages. The figures do not include the many typescripts that also went out from the bureau on the same day."

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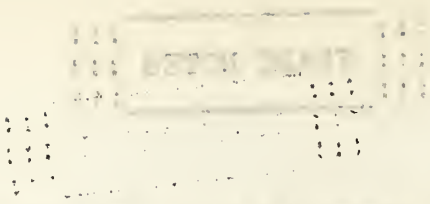

5/28/40

CBS EXPLAINS POSITION IN WNYC CONTROVERSY

Preservation of the wavelength of Station WCCO, Minneapolis, rather than acquisition of Station WNYC, New York, is the objective of the Columbia Broadcasting System, Louis Ruppel, Director of Public Relations for the network, declared last week in a letter to the editor of the New York Times.

"Somehow the Mayor has confused the dispute between himself and the Citizens Budget Commission with an action involving WNYC, the State of Minnesota and CBS which is now pending before the Federal Communications Commission", he wrote. "These two issues have not the remotest connection.

"As regards factual information given the Citizens Budget Commission by CBS executives, they were here doing no less than other equally well-informed broadcasting people and no less than had been done for the city at the Mayor's request a few years ago.

"However, there is an issue on which CBS is on the opposite side to the Mayor, an issue now pending and on which another hearing will be held in Washington May 27 before the FCC.

"This is the issue: New York City applied to the FCC for permission to extend its present part-time operations of WNYC to full time, 11 P.M. Because WNYC at present operates on 810 kilocycles, an extension of time through the evening would destroy the clear channel status of Station WCCO, Minneapolis, which has operated on 810 kilocycles since 1928, four years before New York City was given the daytime assingment on the same wavelength.

"It cannot be overemphasized that WCCO was on the 810 wavelength before WNYC. Nor can it be overemphasized that prior to 1932 WNYC had a full-time channel of its own - 570 kilocycles - now occupied full time by another local station, WMCA. . . .

"One more word. Far from wanting to 'grab' WNYC's wave length, as the Mayor charges, Columbia has only one desire, and that is to keep the Mayor from destroying the clear-channel service its Minnesota station has been giving since before the day WNYC surrendered its own full-time channel locally."

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5/28/40

G.E. READY FOR FREQUENCY MODULATION DEMANDS

Following the announcement from the Federal Communications Commission that forty air channels had been made available for an unlimited number of stations using frequency modulation transmission, Dr. W.R.G. Baker, manager of the radio and television department of the General Electric Company, stated that "General Electric is ready to meet the demand which will inevitably result from the favorable announcement of the FCC toward commercial FM broadcasting. The interest of the broadcast industry in this new field is attested to by the requests - totalling between 140 and 150 - pending before the FCC for authority to construct FM stations."

To meet FM demands, General Electric has available a flexible line of standard FM broadcast transmitters rated 250 watts, and 1, 3, 10, and 50 kilowatts. The basic unit of 250 watts is used as an exciter for the transmitters of higher output rating. To increase power, the amplifier units may be added initially or later.

Designed for dependable broadcast operation, the General Electric FM transmitters are said to incorporate new ideas of circuit simplicity, accessibility, and low tube cost. Their actual measured performance characteristics substantiate the perfection of audio fidelity, dynamic range, and low distortion claimed by Major Edwin Armstrong for frequency modulation -- in addition to the FM system advantages of freedom from static, man-made interference, and interference from other stations (virtually cleared channel operation for the small stations), efficiency, and economy.

General Electric also has announced two antenna designs - a vertical half-wave antenna for the small station, and a turnstile design for those wanting an antenna with power gain. The turnstile design has a power gain of approximately 7 db. over a single cross arm section, or 4 db. over a dipole in the direction of maximum radiation.

The complete line of General Electric frequency modulation receivers has been on the market approximately a year, available in areas where frequency modulation stations are operating. G-E dealers in these areas are cooperating with frequency modulation broadcasting stations to build FM audiences.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

NATIONAL BROADCASTING CO., Inc.
LEGAL DEPARTMENT
RECEIVED
JUN 3 1940
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No. 1239

June 4, 1940

BROWDER BROADCAST BRINGS DEMAND FOR LAW CHANGE

Demands that the Communications Act be changed to permit radio stations to refuse to carry Communist addresses and a renewal of a proposal for a Congressional investigation of radio this week followed on the heels of the broadcasting of the Communist Party convention from Madison Square Garden.

Representative Cox (D.), of Georgia, ranking majority member of the powerful House Rules Committee, suggested the Congressional inquiry while admitting that it is too late in the session for action by the present Congress.

Press reaction in leading newspapers was a bit wary of the idea of banning Communists from the air, but the New York Times suggested that the time of the party might be curtailed in view of the limited interest.

The Federal Communications Commission was silent officially, but a spokesman for the FCC pointed out that under the Communications Act that the Commission could not intervene. A letter of protest from former Representative John J. O'Connor, of New York, however, was referred immediately to the FCC Legal Division for advice.

The Columbia Broadcasting System started the discussion by asking revision of the Communications Act, which requires that all political parties be treated alike, and apologizing to its listeners before carrying Earl Browder's address.

James L. Fly, Chairman of the FCC, called at the White House last Friday and it is believed he discussed the question.

Representative Cox in a brief speech in the House on Monday said:

"Mr. Speaker, on yesterday the broadcasters announced that they were compelled by law to broadcast the proceedings of the Communist convention. I happen to hold in my hand the law. It compelled no such thing.

"Mr. Speaker, in view of the fact that Mr. Sarnoff, who heads the R.C.A., inspired the editorial Public Enemy No. 1, carried in a recent issue of Colliers, and in view of the further fact that he is the close associate of the brother-in-law of Mr. Molotov, Premier of Russia, and in consideration of the further fact that it has been said for a long while that subversive activities were freely carried on in this organization, I want to make the observation that we have about reached the point where

we should investigate the broadcasting business. It is too late in the session to undertake such an investigation now, but we can get to it early in the next Congress."

Referring to the subject in reply to questions asked at her press conference, Mrs. Franklin D. Roosevelt declared that so long as the Communist party was a legally constituted party it should receive the freedom of speech accorded to other parties. She declined to say whether she favored outlawing the Communist party, as has been proposed in several bills in Congress. That was for Congress to decide.

She maintained that protection was needed against "Fifth Column" activities, but emphasized that any steps taken should be under existing law and that people should "keep their feet on the ground" and avoid hysteria.

Amendment of the 1934 Communications Act to permit radio broadcasters certain discretionary powers of censorship in the matter of extension of their facilities to political candidates, and to some extent over the subject matter to be broadcast by candidates and others, was suggested last Friday by Senator Burton K. Wheeler (D.), of Montana, and representatives of the radio industry.

"The present law was drafted so as to preserve the right of free speech in the United States and to see to it that each candidates for public office had a right to express his views, whether we agreed with them or not", Senator Wheeler said.

"I think that the law probably should be changed because of the fact that it, perhaps, goes too far in this respect. It goes so far as to make it impossible for a broadcaster to censor a statement even if it contains libelous matter. The law certainly should be amended in that respect, at least."

Senator Wheeler's statement was made on the floor of the Senate during debate on the transfer of the Bureau of Immigration and Naturalization to the Department of Justice.

Mr. O'Connor in a telegram to the FCC said, in part:

"I hereby protest against the National, Columbia, and Mutual Broadcasting Systems, broadcasting to the nation on Sunday next the proceedings of the 11th Annual Convention of the Communist Party and demand that you enforce law and your regulations and forbid this broadcast to this non-American, godless group on the ground that the Communist Party is not a legal or recognized political party in the State of New York, or elsewhere, and has no standing as such not having received sufficient votes at the last gubernatorial election to qualify it as a political party, nor is Browder 'a legal qualified candidate for public office' because the necessary petitions placing him in nomination have not yet been filed and cannot be filed until some time in October. Rather is the group a direct and admitted representative and agent of Soviet Russia, pledged to 'overthrow' our Government."

In reply, CBS called Mr. O'Connor's attention to its statement of Thursday in which it pointed out the Communications Act compelled broadcasters to treat all candidates for public office alike and for this reason, Columbia recommended a change in the law which would permit refusal of time to candidates of any political party proven to be subservient to a foreign power. The text of Columbia's statement is as follows:

"The radio law requires broadcasters to give the same treatment to all candidates for any public office. In compliance with this law we have arranged to carry on Sunday evening, June 2nd, a fifteen-minute talk by Earl Browder on the Communist Party's representation that, at that time, he will be the duly nominated candidate for the presidency.

"It is obvious that when the Congress enacted the Communications Law, present conditions and their dangers were not apparent. Columbia is, of course, obedient to the laws of the United States but it is of the belief that the Communications Law should be changed so that no broadcaster is compelled to give time to the candidates of any political party if it is proven to be subservient to a foreign power."

A spokesman for the Federal Communications Commission agreed with the interpretation of the law put forward by the National, Columbia and Mutual Broadcasting systems. They held, as did this spokesman, that the law compelled broadcasters to allow time to all parties if it gave or sold time to any one party. However, it was asserted that the broadcasters could refuse time to all parties or their candidates.

Commented the New York Times:

"Mr. Browder's free time on the air may wisely be curtailed in the interests of economy and proportion. It is absurd to devote national networks to a product in which only a few thousand people are interested. But Mr. Browder spouting through the ether is no menace to anybody but himself or to any cause but his own."

Neville Miller, President of the National Association of Broadcasters, in a statement explaining the broadcasters' position, concluded:

"Undoubtedly, in enacting these provisions of the Federal Communications Act, Congress was particularly interested in providing for the protection of freedom of speech, and prohibiting censorship. Recent developments in Europe have brought to our minds many dangers which then were not realized and which may require a reconsideration of the subject. However, in the meantime, radio stations have no alternative - they must obey the law as written."

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WHEELER ASKS $5,000 MORE FOR TELEGRAPH PROBE

Senator Wheeler (D.), of Montana, this week introduced a resolution in the Senate asking for an additional $5,000 to carry on the telegraph investigation ordered by the Senate Interstate Commerce Committee. The resolution follows:

"Resolved, That the Committee on Interstate Commerce, authorized by Senate Resolution 95 of the first session of the Seventy-sixth Congress, and Senate Resolution 268 of the third session of the Seventy-sixth Congress, to investigate the telegraph industry, is hereby authorized to expend from the contingent fund of the Senate, in furtherance of the purposes of the above-mentioned resolutions, $5,000 in addition to the amount heretofore authorized for said purposes."

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REAPPOINTMENT OF BROWN TO FCC FORECAST

Thad H. Brown is expected to be reappointed for a seven-year term as a member of the Federal Communications Commission prior to expiration of his present term June 30th.

An Ohio Republican, Colonel Brown is the only remaining member of the former Federal Radio Commission now sitting on the FCC. He was named a member of the Radio Commission on January 21, 1932, after having served as General Counsel since 1929. He was carried over as a member of the FCC upon its creation on July 11, 1934, having been named for a six-year term.

Several months ago Colonel Brown was planning to retire from the FCC to reenter private law practice in Ohio and Washington. It is understood, however, that he has decided to forego such plans.

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ZENITH SHOWS SPECTRUM "YESTERDAY AND TODAY"

A clear diagram of the radio spectrum showing the positions of television "Yesterday and Today" has been prepared by Eugene F. McDonald, Jr., President of the Zenith Radio Corporation.

The graph is based on the recent decisions of the Federal Communications Commission with regard to both frequency modulation and television transmission.

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PAYNE ASSAILS HANLEY IN TEXAS RADIO CASES

Commissioner George Henry Payne has written an inter-office memorandum to his colleagues criticizing the conduct of James H. Hanley, former member of the Federal Radio Commission, in the so-called Texas revocation cases.

Mr. Payne said that his investigation of the cases, in which he recommended the revocations" indicate clearly that James H. Hanley, for a number of years, has been involved in a profes-sional capacity in the activities of Dr. James O. Ulmer".

After quoting from correspondence and asserting that Mr. Hanley had given "false and misleading evidence", Commissioner Payne concluded:

"Most of the Texas revocation cases I have heard, by the similarity of their violations and the steps taken to disguise such violations, show a single mind at work. In each case, facts have been suppressed and conditions created to cover up the true ownership which, in fact, rested in James G. Ulmer.

"These manipulations required a knowledge of general law, of the Radio Act of 1927, of the Communications Act of 1934, and of the rules of the Commission, which Ulmer did not possess. The inference is inescapable that Hanley guided Ulmer in a complicated scheme of deception. That Hanley was fully aware of what he was doing is clearly indicated by the letters quoted and by others.

"It must be remembered that Hanley is a member of the bar who had served as a member of the Federal Radio Commission. High standards of ethics should therefore be expected of him.

"In my opinion, irregularities on the part of Hanley, sufficiently grave to warrant further investigation, have been revealed in these cases. I therefore recommend to the Commission that the matter be referred to the Law Department for further study and for a formal report to the Commission based thereon, with recommendations as to such disciplinary action as may be deemed appropriate."

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BRITISH BAN RADIOS IN AUTOS AS DEFENSE MEASURE

Great Britain, acting under its war-time emergency powers, last week banned all radios from automobiles, effective Sunday. The order was said to apply even to automobiles in storage.

The order was issued in connection with a new set of national defense regulations.

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STUDEBAKER URGES MOBILIZATION OF RADIO, PRESS, MOVIES

A suggestion that all educational forces, including the radio, press, and movies cooperate in focusing national attention on this country's major's problems, such as unemployment, was made last week by Dr. John W. Studebaker, U. S. Commissioner of Education, at the annual meeting of the American Association for Adult Education in New York City.

"Is it practicable to suggest that all educational forces, including the various newer twentieth century instruments for engendering public understanding, might join in some plan to focus widespread attention upon particular public problems for a period long enough to make a considerable proportion of the American people acquainted with the important facts bearing on our major national questions, and with the various programs of action suggested for their solution?" he said.

"For example, let us suppose that the American Newspaper Publishers' Association were to take the initiative in approaching the major political parties, the news magazines, the radio broadcasting companies, the motion-picture industry, the American Library Association, the National Education Association, etc., to arrange for the appointment of a committee to study means of cooperation for civic education. Perhaps the committee might select a non-partisan and representative board of experts to canvass the major public issues, and to plan a method for the concerted treatment of one of these issues each month or every two months by all the major instruments of communication, harnessing newspapers, magazines, motion pictures, radio, schools, study clubs, extension classes, forums, etc., in a vast democratically managed, cooperative program for the sustained intensive effort to understand the selected problem and the alternative proposals for its solution. To illustrate further, let us suppose that the board of experts should decide that the first problem to be thoroughly canvassed is, 'How Shall We Deal With Unemployment?'

"Certainly here is a problem deserving of the concerted attention of the American people. Its various aspects impinge upon the life of every man, woman, and child in the country. Youth in cities and in rural villages, the middle-aged worker, the trade unionist, the politician, the banker, the baker, the candlestick maker must pass judgment upon the private efforts and public programs designed to assist in a solution of this problem. And yet what concerted, carefully organized, and continuous attention has the problem been given by the agencies which today exercise the most effective educational influence, i.e., press, radio, motion pictures?

"The problem might be, 'What policy shall America follow in foreign affairs?' or it might be, 'What road promises to lead us out of the dilemma of farm surpluses and undernourished people?' Or, 'How can we give youth a balanced life of schooling, work, and recreation?' Or, 'What to do about the rising national debt?'

"Let our board of experts, acting under the direction of the Committee on Communication and Public Affairs, mobilize the facilities of the radio industry, the motion-picture industry, the publishing industry, assisted by all the various formal and informal agencies of adult education, to devote during one or two months continuous and intensive treatment of this unemployment question. Break the question down into an examination of the causes of our present situation, foreign and domestic, technological and scientific, social and economic. Discuss and appraise the impact of unemployment on different age groups. Canvass the possibilities for dealing with unemployment at different age levels. Consider and appraise the measures undertaken by Government such as CCC, NYA, and WPA."

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DOUBLE CALL-LETTERS ARE BEING ELIMINATED

To prevent confusion and in the interests of simplification, the Federal Communications Commission is moving to eliminate the few remaining double call-letter designations retained by standard broadcast stations as a result of past consolidations.

Accordingly, the Commission is writing letters to WIOD-WMBF, The Isle of Dreams Broadcasting Corporation, Miami, Florida, and WSYR-WSYU, Central New York Broadcasting Corporation, Syracuse, N. Y., suggesting that they dispense with one-helf of their respective combinations, and allowing them to make such choice.

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McNUTT SEES EDUCATION BOON IN FM AWARD

Federal Security Administrator Paul V. McNutt last week declared that a ruling just issued by the Federal Communications Commission granting educational institutions the exclusive use of previously assigned ultra-high frequency radio bands may "provide the greatest stimulus to education our Nation has yet experienced".

Mr. McNutt's comment came after he had received a report from John W. Studebaker, U. S. Commissioner of Education, which contained the FCC ruling. The ruling affirmed the right of educational agencies to exclusive use of radio bands as set forth in a decision of the Commission in 1837 which opened up ultra-high frequency channels for the first time to commercial broadcasting.

The FCC ruling following a hearing on frequency modulation on "static-less" broadcasting, popularly known as "F-M". More than 300 educational institutions requested retention of the high frequency bands. The National Committee on Education by Radio also supported the proposal.

In his report to Federal Security Administrator McNutt, the Commissioner of Education declared this "history-making" ruling will have a "deep-rooted and fundamental effect on our people."

Dr. Studebaker, who represented State Departments of Education and the 300 educational organizations at the hearing, estimated that the decision would permit the erection of as many as 3,000 local broadcasting stations.

"Each station", the Commissioner explained, "would greatly enrich the school curriculum, stimulate adult education and correspondence courses, and permit closer contact between local governments and the people in thousands of American communities."

He requested school superintendents and education boards to study the educational possibilities of "F-M" broadcasting for the purpose of establishing their own stations. The U. S. Office of Education, he added, would revise immediately its guide to school administrators on the development of ultra-high frequency radio broadcasting.

"The cost of erecting and operating an ultra-high frequency broadcasting station is moderate compared to similar costs in conventional stations", Dr. Studebaker explained. After declaring that some of these cost estimates were as low as $5,000, the Commissioner said sufficient money for a trained radio teaching staff might be obtained through a slight increase in the size of conventional classes, thus bringing to entire school systems the advantages of the best in art, music, education, and modern thought.

The Commissioner said that in addition to sending lessons by radio to classrooms, either to supplement teachers' efforts or to provide new teaching techniques, ultra-high frequency broadcasting would prove helpful in instructing shut-ins. "In fact", Dr. Studebaker emphasized, "this system is expected to carry the torch of learning into the farthest corners of the land and the most out-of-the-way hamlets and farmhouses."

The number of radio production groups and colleges and universities offering radio courses is expected to increase rapidly as the result of this FCC decision.

Commercial broadcasting over ultra-high frequency channels also will help educational radio, in the opinion of Commissioner Studebaker. "Production of inexpensive receiving sets for F-M reception will be helpful to schools, while commercial broadcasting in ultra-high frequency channels adjoining the educational bands will bring educational programs within range of all sets", he said. Organizations represented through Commissioner Studebaker in the hearing on frequency modulation before the Federal Communications Commission included the National Education Association, the National Council of Chief State School Officers and the National Congress of Parents and Teachers. Howard Evans represented the National Committee on Education by Radio.

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TRADE NOTES

The National Broadcasting Company is circulating reprints of two articles by J. M. Greene, Circulation Manager of the network, from Printers' Ink on "Radio Station Coverage - Day and Night". The articles explain in non-technical language how to estimate the coverage of individual radio stations.

May billings of the Mutual Broadcasting System totaled $322,186, representing an increase of 37.2 percent over May, 1939, and also representing the highest May figure in the history of the network. The figure for May, 1939, was $234,764. Mutual's cumulative billings for the first five months of 1940 also were the largest in the network's history. 1940's figure totaled $1,731,843, an increase of 24.1 percent over 1939's first five months when the figure of $1,396,049 was reached.

Finch Telecommunications, Inc., is starting a drive limited at this time to trade papers to promote the sale of its facsimile sets. The company is offering a combination scanner priced at less than $1,000 for stations, and a home recorder in the $100 to $125 retail bracket. The new receivers provide double the speed of previous Finch models, giving 1.3 inches a minute across four columns, 8.5 inches.

The marine divisions of both the Commercial Telegraphers Union, affiliated with the A. F. of L., and the American Communications Association, affiliated with the C.I.O., issued sharp protests last week against the offer of the United States Maritime Commission to train 200 CCC boys as marine radio men. Both groups said that there were already more trained radio operators than there were jobs and that training the CCC boys would only add to the present widespread unemployment in the industry.

The consolidated net account of the Philco Corporation, covering the three months ended on March 31, and including all subsidiaries, disclosed a net income of $375,638 after all charges, including taxes, depreciation, amortization, loss from foreign exchange and minority interest. Net sales for the period amounted to $11,154,129.

The combined income account of the Philco Corporation and its subsidiaries, Philco Radio and Television Corporation and its subsidiaries, for 1939 shows a net income of $1,886,229 after all deductions, and contrasts with a net loss of $222,477 for 1938. Net sales for 1939 aggregated $45,421,078, against $30,527,655 for 1938.

The consolidated balance sheet as of March 31, 1940, shows current assets of $16,590,494, including cash of $6,850,348, notes and accounts receivable, less reserves, of $6,150,034 and merchandise inventories of $3,260,374, while current liabilities totaled $3,749,686.

The Federal Communications Commission has cancelled a construction permit issued W. B. Dennis on July 12, 1939, for a radiobroadcast station at Plainview, Texas. This action was taken after the permittee admitted, as a result of a show cause order issued March 12 last, that he made misstatements relative to his financial position in applying for the permit. The station, which had been assigned the call letters KWBD, proposed to operate daytime on 1200 kilocycles with 100 watts power.

Frank E. Chizzini, Assistant Manager of NBC's Radio Recording Division in New York since 1935, will take up his duties as Central Division Radio Recording Manager on June 10. Recent developments have made clear the growing importance of Chicago as a center for the creation and distribution of radio transcriptions for spot advertising, which is largely responsible for Mr. Chizzini's transfer to Chicago, NBC explained.

With the presentation of a half-hour musical program dedicated to radio listeners from coast to coast last Saturday, June 1, Station KROD, of El Paso, Texas, became the 119th member of the Columbia Broadcasting System.

The Federal Communications Commission has announced its proposed findings of fact and conclusions, proposing to grant the application of Pawtucket Broadcasting Company for a new station at Pawtucket, Rhode Island, to operate on the frequency of 1390 kilocycles with power of 1 kilowatt, unlimited time, subject to the condition that Paul Oury shall not have any interest in the proposed station or be associated with it as manager or in any other capacity.

Robert W. Friedheim, for the past three years sales representative of the NBC Radio-Recording Division has been appointed Sales Manager of the Eastern Division, C. Lloyd Egner, Manager of the Division, announced this week. Willis B. Parsons, formerly manager of the NBC Institutional Promotion, who was transferred to the Radio-Recording Division to handle promotion and advertising, becomes Assistant Sales Manager of the Eastern Division.

The Federal Communications Commission has announced its proposed findings of fact and conclusions, proposing to grant the renewal of license for Station WAAB, The Yankee Network, Inc., Boston, Mass., for the main and auxiliary transmitters; and deny the application of The Mayflower Broadcasting Corporation for authority to establish a new station on 1410 kc., 500 watts night, 1 KW day, unlimited time (the facilities of WAAB).

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GOVERNMENT TELEGRAPH RATES EXTENDED

The Federal Communications Commission has formally extended for the next fiscal year its existing provisions with respect to rates for Government telegraph communications. The formalities of Commission Order No. 58, which expires June 30, are continued with the exception that Alaska specifically will be included in the domestic rate structure, and charges for certain Government messages to outlying points are changed to reflect 50 percent of the corresponding commercial rates.

In general, Government messages retain priority over private messages and "shall be sent at charges not exceeding 60 per centum of the charges applicable to commercial communications of the same class, of the same length, and between the same points in the United States, which shall be deemed herein to include Alaska, except that the charges for serial messages and the timed wire service shall not exceed 80 per centum of the charges applicable to like commercial serial messages and timed wire service between the same points in the United States; provided, however, that the minimum charge for day messages shall be 25 cents, for day letters 45 cents, for night messages 20 cents, for night letters 30 cents, for serial messages 54 cents, and for timed wire service 45 cents."

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RADIO UNION SCORES "WAR HYSTERIA"

The officers of District 4, United Electrical, Radio and Machine Workers of America, a C.I.O. affiliate, declared in a statement made public at Newark, N.J., last week, that President Roosevelt was leading a campaign to create a "war hysteria" and "reactionary members of Congress and the employing interests" were taking advantage of it "in the hope and expectation that it will provide an opportunity to take from labor its recent social and economic gains." The statement, approved by the Executive Board of the district, added:

"When Hitler was destroying the German trade unions, murdering his own people and grinding them under an iron heel, many reactionaries who now call most loudly to stop him in the name of civilization let it be known that perhaps he had the right idea, maybe we should even apply such methods in the United States. * * * It should be obvious that the British and French ruling cliques that delivered Czecho-Slovakia over to Hitler so readily cannot be entrusted to defend democracy or the cause of the whole people anywhere."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

NATIONAL BROADCASTING CO., Inc.
LEGAL DEPARTMENT
RECEIVED
JUN 10
1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 P.M.

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No. 1240

BROADCASTERS WARNED AGAINST HYSTERIA IN NEWS REPORTS

Representative Karl E. Mundt (R.), of South Dakota, this week warned broadcasters to keep radio news reporting free of "hysteria" and criticized some of the commentators on the air in an extension of remarks in the Congressional Record.

"I am sure that every Member of Congress realizes that the European war has confronted us all with the problem of considering the significance which the unpredictable factor of broadcasting war news has upon the steady nerves and clear thinking which must play an important part in public opinion if America is to make the wisest decisions in the present crisis", he said.

"Never before has war with all its horror and hatred been brought into the living rooms of America through the almost universal ownership of receiving sets which now exists in this country. I am sure radio executives are giving constant and careful consideration to the perplexing problem of how far to go in dramatizing over the radio the horrific scenes which are taking place daily in battle-torn Europe. Radio has a grave responsibility, today, to live up to the privileges of free speech and uncensored discretion which it enjoys in America and which it is my personal hope it may always continue to enjoy in this country.

"I feel confident that the best guaranty radio can have that its freedom will not be curtailed is to demonstrate clearly in this crucial period that it merits the tremendous responsibilities of self-control which it now enjoys."

Continuing, he added: "What part should radio play in reporting the tragedies of a great war? Mr. Speaker, I have no answer to offer to that question but I merely propound it for the serious consideration of us all. I propound it, too, with the fervent hope that radio executives themselves will use increasing care and restraint so as not to permit the splendid convenience of radio to become a destructive wartime device in America. In wartime, I presume radio would be one of the first facilities taken over by the Government and a war involving America might spell the end of private ownership and operation of radio in this country since its influence would be needed in maintaining public morale and solidifying sentiment. Happily, America is not at war and American radio companies are privately owned and operated - incidentally they are now practically unique in all the world in this respect - and they are providing by and large the best radio programs available on the air. It would be most unfortunate if careless or overzealous commentators on the air should misuse their freedom and render such disservice to American clear-headedness that this country would be forced to pass regulatory legislation circumscribing or censoring

radio reporting. I believe the radio executives of this country recognize this danger and are sincerely trying to prevent abuses of their privilege from jeopardizing the advantages which they hold from licenses granting them virtual monopoly over favored air waves. * * * *

"That there has already been too much of a tendency to overdramatize war news and to permit apopletic appeals and horrific hysteria to color radio dispatches is evidenced by a study of the pages of the Congressional Record itself. On one day last week, I counted references made by more than a dozen Senators and Congressmen to 'hysterical radio reporting' which they decried as unfortunate at a time when the people of America need to search their souls and investigate the deepest recesses of their minds to arrive at decisions and conclusions which will best serve democracy and humanity in this dark hour. It does not seem possible that these Senators and Congressmen were all wrong and that radio is all right - radio, itself, should correct the excesses and emotionalism which have given rise to such frequent complaints on the floor of this House.

"Newspapers, more experienced in the business of conveying news than are radio chains, are exercising commendable good taste and good judgment in their reports of war news today. Aside from a few rather notorious exceptions, the news is presented without editorial coloration, and the scourge of atrocity stories and horror pictures which prevailed during the World War and preceding our entrance into it have been held down to a minimum. Many papers have even risen to new heights of public service by carrying bylines or boxed notices to the effect that 'all news coming from European capitals and battlefields during wartime is subject to censorship at its source.' Such frankness and candor on the part of our better-class newspapers is a splendid token of public service and merits the commendation of all readers - it is a fine manifestation of the tradition of freedom of the press which is inherent in this country.

"On the other hand, especially among radio commentators who inject their personal opinions and emotions in to the news, too frequently an attempt is made to create an 'illusion of integrity' which leads the unwary listener to believe that what he hears is more factual or fulsome and reliable than what he reads. Obviously, such is not the case because newspapers and radio stations, alike, are limited by the same conditions in foreign countries and are all circumscribed by the same foreign censors and the same propagandists who are in the business of distorting the facts for military or psychological purposes.

"Radio might do well to follow the examples of newspapers in reminding their public that all news is subject to censorship at the source and that in wartime it is impossible to discriminate between what is factual and what is pure propaganda in communiques and messages originating from foreign sources. In fact, a few radio programs are already issuing such precautionary announcements in connection with programs of war news, but too

many programs still utilize commentators whose egotism stirs them to try to create an 'illusion of integrity' about themselves which, knowingly or unwittingly, tends to give prestige to their remarks which is not merited.

"Mr. Speaker, I do not want to conclude this discussion without saying a good word for the fine features of radio war reporting which I wish to commend as frankly as I have criticized the occasional excesses which it is heir to. The nightly round-up of war news from European capitals in which radio reporters from each belligerent country discuss the news which their respective censors permit, is a commendable and serviceable contribution to the group knowledge of America. So, too, are the fine, informative, and factual reports and analyses of NBC's Major General Fuqua, and of Columbia's Maj. George Fielding Elliott. Without engaging in personal dramatics, and without any hysterics, these two authorities bring to the public regular reports of war movements and developments, and their programs are of a public-serving nature. In contrast with the frequent extremes in excitation engaged in by Columbia's Kaltenborn - and to a lesser degree by NBC's Baukhage - the previously discussed programs never provoke cloakroom discussions in Congress about the dangers of unlimited radio war news."

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RADIO EXPORTS SLUMP IN APRIL, U.S. REPORT SHOWS

April exports of American electrical equipment totaled $11,811,777, a decrease of $1,159,957, or 8.9 percent from the preceding month's figure of $12,971,734, the Electrical Division, Bureau of Foreign and Domestic Commerce, of which John H. Payne is Chief, announced this week.

Despite this decrease, the volume of April shipments continued at a level well above average, and represented a 25 percent increase over similar shipments during the corresponding month of 1939. Similarly, total electrical shipments during the first 4 months of the current year, which amounted to $46,133,458, surpassed the volume of the same period in 1939 by $11,752,496, or 34.2 percent.

Reaction from the abnormal trade increases of March was most evident in the radio and refrigerator fields. Radio receiving set exports, which had totaled 92,226 units valued at $1,073,925 in March, fell off considerably in April to register a total of 33,113 sets which sold for $655,679. Several other divisions of the radio trade also showed losses, foreign sales of radio receiving tubes falling from $305,925 to $269,233; receiving set components down to $447,921 from the March total of $592,832; and loudspeakers off slightly from $23,192 to $22,988. On the other hand, however, a fairly large increase was noted in exports of transmitting sets, tubes and parts which rose from $243,953 in March to $363,488 during the month under review. A smaller increase was also made in shipments abroad of receivng set accessories which jumped from $44,785 to $60,180.

FOREIGN AMATEUR COMMUNICATION BANNED BY FCC

Immediate ban on amateur radio communication with foreign stations was ordered this week by the Federal Communications Commission as a measure of national defense. There are approximately 55,000 amateurs licensed by the Commission.

This prohibition, however, does not apply to amateur communication between licensed amateur stations in the continental United States and its territories and possessions; nor does it apply to United States citizens authorized to operate amateur stations in the Philippine Islands or the Canal Zone when such persons are communicating with amateurs in the United States.

Order No. 72, pursuant to Section 303 of the Communications Act and in accordance with Article 8, Section 1, General Radio Regulations (Cairo Revision, 1938) annexed to the International Telecommunications Convention (Madrid, 1934), as issued today, reads in the main:

> "IT IS ORDERED, That amateur radio operators and amateur radio stations licensed by the Federal Communications Commission shall not exchange communications with operators or radio stations of any foreign government or located in any foreign country; Provided, however, that this Order is not intended to prohibit the exchange of communications between licensed amateur operators and licensed amateur stations in the continental United States and licensed amateur operators and licensed amateur stations in the several Territories and possessions of the United States, or between licensed amateur operators and licensed amateur stations in the Continental United States and United States citizens authorized to operate amateur stations in the Philippine Islands or the Canal Zone, or between licensed amateur operators and licensed amateur stations in the several Territories and possessions of the United States.
>
> "IT IS FURTHER ORDERED, That all Rules and Regulations of the Commission inconsistent with this Order BE, AND THE SAME ARE HEREBY, SUSPENDED, pending the further Order of the Commission.
>
> "This Order shall become effective immediately."

FCC officials said the amateur broadcasting order was purely precautionary. They pointed out that the law permits licensing only of citizens for such broadcasting. The amateurs are able to do a very good job of policing themselves and generally have done so, it was added.

European countries sometime ago prohibited amateurs from carrying on foreign communications so that actually the FCC order will not affect recent amateur operations.

The American amateur radio operator must be a citizen of this country and operate his station in a building owned by a citizen. It is unlawful for the amateur to install his transmitter in a building owned by an alien.

Heavy penalties, even imprisonment are provided for unlawful radio operation. The FCC may close down and seal a station, if that be necessary. Means are at hand for the quick detection of stations operated unlawfully.

When a license to operate a station is ussed to a citizen, it is only after extensive examinations reveal his ability to operate and to maintain it in the manner prescribed by law.

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FLY INVITED TO RMA CONVENTION NEXT TUESDAY

James L. Fly, Chairman, and Commissioner T.A.M. Craven have been invited to attend the convention of the Radio Manufacturers' Association in Chicago next Tuesday and Wednesday, it was learned this week. They have not decided whether they will be able to attend.

One of the major issues to be discussed by the radio manufacturers is the FCC's recent challenge to the industry to reach an agreement on television transmission standards before commercialization is authorized.

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WAR FAILS TO HALT GERMAN TELEVISION

Television programs are being continued in Germany in spite of the war, the official German news agency reports. Recently the German-Italian football match and international winter sports competitions at Garmisch-Partenkirchen were televised, it states.

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The Federal Communications Commission this week granted the applications of the Nevada Broadcasting Company and the Las Vegas Broadcasting Company, both for new stations in Las Vegas, Nevada, the Nevada Broadcasting Company to operate on 1370 kc., with power of 100 watts night, 250 watts day, unlimited time, and the Las Vegas Broadcasting Company to use 1420 kc., with the same power and unlimited hours of operation.

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HIGH FREQUENCY ALLOCATIONS SPECIFIED BY FCC

Specific allocations of frequencies in the band 116,000 to 119,000 kilocycles, and in the band 156,000 to 162,000 kilocycles, have been approved by the Federal Communications Commission in accordance with Order No. 67 to become effective June 18 as follows:

Frequency kc	Allocation
116,050	Special Services and experimental
116,150	Police
116,250	Experimental
116,350	Coastal and Ship Harbor
116,450	Special Services and Experimental
116,550	Police
116,650	Special Emergency
116,750	Relay Press
116,850	Special Services and Experimental
116,950	Police
117,050	Experimental
117,150	Relay Press
117,250	Special Services and Experimental
117,350	Police
117,450	Forestry
117,550	Marine Fire
117,650	Special Services and Experimental
117,750	Police
117,850	Special Emergency
117,950	Relay Press
118,050	Special Services and Experimental
118,150	Police
118,250	Experimental
118,350	Coastal and Ship Harbor
118,450	Special Services and Experimental
118,550	Police
118,650	Experimental
118,750	Relay Press
118,850	Special Services and Experimental
118,950	Forestry
156,075	Broadcast
156,225	Fixed
156,675	Broadcast
156,825	Broadcast
156,975	Experimental
157,125	Fixed
157,425	Fixed
157,425	Special Services and Experimental
157,575	Broadcast
157,725	Experimental
157,875	Fixed
158,025	Fixed
158,175	Special Services and Experimental
158,325	Broadcast
158,475	Broadcast
158,625	Police
158,775	Fixed
158,925	Fixed
159,075	Special Services and Experimental
156,375	Fixed
156,525	Special Services and Experimental
159,225	Broadcast
159,375	Broadcast
159,525	Fixed
159,675	Fixed
159,825	Special Emergency
159,975	Broadcast
160,125	Fixed
160,275	Fixed
160,425	Special Services and Experimental
160,575	Fixed
160,725	Fixed
160,875	Forestry
161,025	Broadcast
161,175	Broadcast
161,325	Special Services and Experimental
161,475	Fixed
161,625	Fixed
161,775	Experimental
161,925	Broadcast

Frequencies between 116,000 and 119,000 kilocycles are assignable on an experimental basis only in the service for which allocated until January 1, 1942.

Frequencies between 129,000 and 132,000 kilocycles, and between 140,000 and 144,000 kilocycles, are also available for experimental purposes in accordance with the rules and regulations governing such service.

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THAD BROWN REAPPOINTED FOR 7-YEAR TERM

President Roosevelt this week nominated Col. Thad H. Brown to succeed himself as a member of the Federal Communications Commission. His present term expires on June 30 and the new term is to be from June 30, 1940, to June 30, 1947. The nomination has been referred to the Senate Committee on Interstate Commerce.

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FLY OPTIMISTIC OVER TELEVISION PROSPECTS

Some indications of the industry's getting to work on television and trying to do the job constructively and to move forward were noted this week by James L. Fly, Chairman of the Federal Communications Commission.

Answering a question at a press conference as to whether the Commission saw any indication of the television industry getting together, Mr. Fly told newsmen that the question of the industry's agreement was not the sole question. The prime question, he said, was one of satisfactory performance. The Commission, Mr. Fly stated, was not concerned with an agreement in the sense of commercial interests getting together and agreeing on a scheme to satisfy their own business interests. The Commission will rely on engineering opinion as to efficiency and actual improvement of television standards.

"What we are shooting at", Chairman Fly said, "is a level of performance and looking for engineering opinion on the merits of standards."

Television was not deadlocked, he said. On the contrary, it has been put on a basis for engineering advance. The Commission, he added, is ready to make a substantial number of grants which would allow the public to participate in experimentation.

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MINIMUM OPERATING SCHEDULE RULE AMENDED

Section 3.71 of the Minimum operating schedule - broadcast rules of the Federal Communications Commission - has been amended to read as follows:

"Except Sundays, the licensee of each standard broadcast station shall maintain a minimum operating schedule of two-thirds of the total hours that it is authorized to operate between 6 a.m. and 6 p.m. local standard time, and two-thirds of the total hours it is authorized to operate between 6 p.m. and midnight, local standard time, except that in an emergency when, due to causes beyond the control of the licensee, it becomes impossible to continue operating, the station may cease operation for a period of not to exceed 10 days, provided that the Commission and the Inspector in Charge shall be notified in writing immediately after the emergency develops."

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BRITISH TO CONTROL DOMESTIC PRICES OF RADIOS

Control of British domestic prices of radio sets is to be widely extended by a Board of Trade order effective June 10 issued under authority of the Prices of Goods Act 1939, the American Embassy at London reports. The prices of most of the more important classes of materials used in the manufacture of the goods on this list will also be controlled. Fixed prices are not established but any undue increases in the prices of specified goods may be made the subject of complaints to the appropriate price regulation committee.

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POWER COMPANY TO USE RADIO TO GUARD CAPITAL'S UTILITIES

Permission to install a "special emergency" radio transmitter at the Benning power plant, which would fit in with War Department plans for protection of the National Capital's utilities, was requested this week by the Potomac Electric Power Co., of the District of Columbia Zoning Commission.

By use of the transmitter, "trouble shooting" repair trucks could be instructed to go to points where repairs are needed, as police squad cars now are directed from headquarters. The transmitter would operate on a frequency of 2,276 kc. with a power of 1000 watts. Permit to construct and operate the transmitter was approved by the Federal Communications Commission January 15.

A War Department spokesman revealed that anti-sabotage plans are now in the hands of the Washington Provisional Brigade for the protection of the gas, electric, water, transportation and communication utilities.

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TRADE NOTES

Gross client expenditures for NBC network facilities increased 9.0% in May over the corresponding month in 1939, and for the eighth consecutive month topped the four million dollar mark. Total billings last month were $4,034,622 compared with $3,702,102 in May 1939 and $4,041,518 in April 1940.

Gross billings for the NBC-Red Network in May were $3,216,940 compared with $3,025,538 for May 1939 and $3,128,685 in April, an increase of 6.3% over last year. Gross expenditures for the NBC-Blue Network for May totalled $817,682 against $676,564 for the same period last year and $912,833 for April - an increase of 20.9% over last year.

Farnsworth Television and Radio Corporation will spend 50 percent more for advertising in 1940 than in 1939, Pierre Boucheron, General Sales Manager, has announced. Full page and half-page ads will run in three national weeklies between Labor Day and Christmas. The budget also includes radio broadcasting in 54 principal cities from coast to coast. The Capehart Division will use full pages in four other magazines to promote the deluxe Capehart and the Capehart-Panamuse.

Paul Porter, Columbia Broadcasting System attorney in Washington, will take a leave of absence - for an administrative position with the New Defense Commission, according to Leonard Lyons, New York Broadway columnist.

Gross billings for time on the Columbia Network - prior to deductions for agency commissions and time discounts to sponsors - totaled $3,570,727 during May, 1940. The May figure brings the five-month cumulative total for 1940 to $17,313,159.

The Federal Communications Commission has ordered common carriers engaged in the international telegraph field to file with the Commission not later than September 15 statements showing traffic with foreign countries for each year from 1936 to 1939 inclusive. The order applies to cable and radio both. It requires that these statistics be analyzed separately for each foreign terminal, and by classes of messages, and revenues collected. Such statements must be furnished in triplicate, under oath.

The Crosley Radio Corporation, Cincinnati, has been granted a modification of license by the Federal Communications Commission to add 17,800 kc. to its frequencies used by the international station WLWO.

THIS BOOK

The existing ratio between charges for ordinary and urgent telegraph messages in the international service is not unjust or unreasonable, nor does it create any discrimination in charges between classes of users, nor does it subject the users of the urgent service to any undue or unreasonable prejudice or disadvantage. So the Federal Communications Commission holds in its proposed report (No. T-9(a)), pursuant to Telegraph Division Order No. 12, on the subject of such rates.

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TWS TELEGRAPH SERVICE HELD DISCRIMINATORY

The TWS (times wire service) classification of telegraph communications is "unjust and unreasonable" and results in "unjust and unreasonable discriminations" declares the Federal Communications Commission in a proposed report (No. T-9) - an order which would require the telegraph compies to stop such discrimination and delete the TWS classification from their tariffs. The companies have twenty days within which to file exceptions and briefs.

The timed wire service is offered by Western Union, Postal, Mackay, and Continental telegraph companies, and constitutes a class of message not specifically authorized by the Communications Act. The Commission finds that under TWS practices, the companies "offer a service to a special group of telegraph users at rates which are not available to the public as a whole; printer connections, which qualify a person to receive the TWS rate, are furnished or refused by the companies in their discretion, depending upon the volume of business to be expected and the competitive situation existing; extensions of TWS rates to persons not having printer connections are made by the companies on an arbitrary basis; the companies adopt varying and arbitrary bases for the fixing of charges applicable to TWS messages accepted "over-the-counter"; the companies apply the same standards of transmission and delivery to TWS messages as are applied to full rate messages, although generally a TWS message is sent at a lower charge than a full rate message of the same length; the companies give priority to the transmission and delivery of TWS messages over day letter messages, although generally the charge for a TWS message is lower than that for a day letter message of the same length." In brief, the Commission holds that the companies "give to a small group of their customers, arbitrarily chosen, service equal to the full rate service which is a like communication service, and better than the day letter service which is a deferred service, at charges lower than those exacted from the general public for full rate telegrams and day letters."

However, the utility of TWS service when provided upon an equitable orderly and non-discriminatory basis, is recognized by the Commission, and the order will accordingly be without prejudice to the filing of appropriate tariffs.

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ZENITH PLANS FM RECEIVER MANUFACTURING FOR FALL

The Zenith Radio Corporation, of Chicago, will shortly start producing frequency modulation receivers of advanced design, Commdr. Eugene F. McDonald, Jr., President, stated in his annual report to stockholders this week.

Commander McDonald stated that for the seventh consecutive year, Zenith has operated at a profit and this is the fourth consecutive year that it has paid a dividend of $1 a share to all shareholders.

Regarding television, he said:

"The recent ruling of the Federal Communications Commission setting the wave band for frequency modulation now clears the way for the manufacture of this type of receiver. The company will very shortly place into production, for Fall delivery, a line of frequency modulation receivers of advanced design.

"The company has been broadcasting regular programs from its frequency modulation station in the tower of the Chicago Towers Club on North Michigan Avenue, Chicago, under an experimental license, but now that the Federal Communications Commission is prepared to grant commercial licenses, application for such license has been made and, when granted, the station will be operated on a commercial basis.

"The management's position with regard to television remains unchanged and until such time as it considers television ready for the public, it does not propose to be stampeded into the premature production of television receivers for sale.

"The company's television broadcasting station has been transmitting regular experimental programs daily, Monday through Friday, and continues to be the only licensed television station in the Chicago area."

The report continues:

"The European war has adversely affected the company's export business on radios to Europe and the near East. It has, however, increased the possibilities for business in South America where a larger volume is anticipated than has heretofore been obtained from this source . . . . .

"While there is at present considerable concern throughout the country regarding general business conditions, the war abroad and the coming political campaigns here at home have been, and we expect will continue to be a stimulus to the radio business. We anticipate good business during the summer and fall but in view of the general situation, we are endeavoring to conduct our operations on a most conservative basis."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

NATIONAL BROADCASTING CO. INC.
LEGAL DEPARTMENT
RECEIVED
JUN 12 1940
7 8 9 10 11 12 1 2 3 4 5 6
P M

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No. 1241

June 11, 1940

FCC MOVES TO BAR RADIO USE BY "FIFTH COLUMNISTS"

Step by step the Federal Communications Commission is tightening up on its regulations to forestall possible use of American radio facilities by "fifth columnists".

Some of its orders are merely precautionary, it appears, while others are the result of complaints. The amateurs, as in the European countries, were the first to be restrained although the Commission has great regard for the work of the "hams" as a class and has confidence in the self-policing of the amateur bands by alert and patriotic operators.

This week the Commission was understood to be studying the international broadcasts from this country and the domestic foreign language broadcasts.

Steps are being taken to revise the application forms for radio operator licenses, both commercial and amateur, to require definite proof of citizenship, rather than the mere statement to that effect required by the present forms. Commercial operators on shore and on shipboard, it was pointed out, are in a position to transmit information in code to foreign agents and therefore there should be more definite proof as to their citizenship claims.

"Fifth columnists", it was pointed out, would undoubtedly be willing to swear they were citizens. Even if they were later found to be aliens, it is doubtful if they could be found for indictment for perjury.

The Commission on Saturday took another step to block possible "fifth column" communications when it issued a sharp warning to all United States radio operators and ship station licensees that superfluous, unnecessary and unidentified communications from ship stations to other ships or to shore stations will not be tolerated, and added that violations in this respect will be vigorously prosecuted.

Both the general radio regulations annexed to the International Telecommunications Convention, adopted at Madrid in 1932 and the Communications Act of 1934 specifically prohibit the transmission of such communications. Moreover, the Commission announced, both the international regulations and the Communications Act place the radio service of a ship under the supreme authority of the master. This was taken as an indication that ship masters must keep a more stringent check on radio transmissions and receptions or suffer the penalties, along with their radio operators, for violations.

"The Commission intends to uphold vigorously these provisions of law and treaty and will hold ship station licensees, masters of ships and radio operators on board fully responsible for any violations", an FCC statement said.

Supplementing its earlier order prohibiting amateur radio communication with foreign countries, the Federal Communications Commission imposed an immediate ban on the use of all amateur portable and other amateur mobile stations operating in the continental United States, its territories and possessions except those stations using short-range frequencies above 56,000 kilocycles and except in the case of amateurs operating portable stations on June 22, and 23, 1940, in connection with the A.R.R.L. Field Day tests of portable transmitters which are designed for special use in time of emergency.

Several thousand stations are affected by the terms of this order; however, they did not operate regularly. Any amateur licensed by the Commission has been allowed to operate a portable station provided that advance notice, in writing, is given to the Commission inspector in charge of the district in which such operation is contemplated. Under suspended rules and regulations, this type of operation is now restricted indefinitely to the frequencies which, generally speaking, do not carry farther than the line of sight.

International broadcast stations, licensed to broadcast to particular countries, usually use foreign announcers because of their linguist ability. Although the broadcasting companies check closely on such announcers, the question has been raised as to whether veiled messages might be sent. These broadcasts could be checked by the Commission's monitoring stations, and it has been suggested that recordings be made of such broadcasts so there would be a permanent record to be checked by governmental agents.

One of the serious communications problems, which at this time appears to be insurmountable, is the reception of broadcasts in this country from foreign stations, many of which are believed to contain hidden messages to "fifth columnists" in this country. The only way of checking this is for close observation by Federal and local authorities of activities of individuals following such broadcasts.

Another problem is that of foreign language broadcasts over domestic stations. These are permitted and it is realized that messages to large groups of foreign listeners could be carried by using a language code, which would mean nothing to the casual listener, but would contain orders to those with the code key.

In planning a more thorough check on radio operator's licenses, the FCC is comparing present application forms with application blanks of the Bureau of Marine Inspection and Navigation for seamen and officers of ships. In order to obtain a

seaman's certificate the applicant not only must certify that he is a citizen, but must furnish proof in the way of a birth certificate, baptismal certificate or discharge from the Army and Navy, must furnish a picture to be attached to the records in the bureau and to the certificate and also fingerprints.

It was indicated this system undoubtedly would be used in applications for radio operator licenses. These licenses are for periods of three years each, so the Commission soon would be able to get a thorough check, even if it did not call for a complete relicensing in order to obtain proofs of citizenship in all cases.

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BUTCHER ANSWERS REP. MUNDT ON RADIO NEWS

Harry C. Butcher, Vice President of the Columbia Broadcasting System, last week told Representative Karl E. Mundt (R.), of South Dakota, that the radio networks are striving to keep the public informed on war news "honestly and conscientiously".

Mr. Butcher's letter, together with the CBS memorandum on war news broadcasts, issued at the outbreak of the war, were inserted in the Congressional Record along with further remarks by Representative Mundt, who earlier in the week complained that some of the radio news tended toward "hysteria".

Representative Mundt, in inserting the letter commented that Mr. Butcher had expressed "the keen appreciation which CBS has of the problems involved and the sincere steps which it has taken and is taking to guard against highly emotionalized speakers and programs whose broadcasts might render a disservice to the best interests of America".

Mr. Mundt added that "Mr. Butcher assures me that the other radio chains are also giving special consideration to the dangers of excesses in war broadcasting. Mr. Butcher's letter follows:

"Columbia Broadcasting System, Inc.
Washington, D. C., June 5, 1940.

"The Honorable Karl E. Mundt,
House of Representatives, Washington, D.C.

"Dear Mr. Congressman: As discussed with you on the telephone this morning, I am sending herewith a copy of a memorandum issued by the Columbia Broadcasting System, September 5, 1939, shortly after the outbreak of the war, governing general operations in connection with European war coverage. We have earnestly and conscientiously endeavored to follow the principles and instructions enunciated therein.

"I am also sending a copy of the NAB report for September 15, 1939, which carries on page 3717 the text of the memorandum of European war coverage as agreed to by all three networks. This agreement subsequently was approved insofar as it applied to individual station operations at the convention of the National Association of Broadcasters held later in September, in Chicago.

"I noticed in your statement in the Congressional Record, you state that Mr. Kaltenborn is on Columbia. Mr. Kaltenborn has not been on Columbia for some time.

"To repeat what I told you on the phone, I think your statement in the Congressional Record indicates that you have given a great deal of thought to this subject, as have the executives of the broadcasting networks and stations generally. We appreciate the responsibilities placed upon us by these trying times and are attempting, I believe with considerable success, to inform the public honestly and conscientiously. Certainly Columbia is making every effort in this direction.

"Of course, you realize that the networks and the stations largely obtain their news from the press associations. In the case of Columbia our press association news is supplemented by our own reports by our own men - incidentally all American citizens - from European points. The press associations in general have done their traditionally magnificent job and the service rendered by radio would be virtually impossible without benefit of services by these agencies.

"The nature and the facts of the war news definitely create grave concern with the listeners but neither radio nor the press has any control over the gravity of the news. Columbia, and I believe the other networks, have risen to their responsibility. Certainly our response from listeners everywhere indicates a generous approval of our efforts and a warm appreciation of the service rendered.

"With best regards, I am,

Sincerely yours,

(Signed) Harry C. Butcher"

Representative Mundt, in commenting further in the Record, said:

"Mr. Speaker, I am also attaching to these remarks the two enclosures which Mr. Butcher sent me, showing specifically how the radio industry is recognizing its responsibilities and endeavoring to exercise self-restraint, good taste, and justice in shaping its policies in the handling of war news. I am confident that a continuance of this careful attention to the problem by radio executives themselves, combined with a thoughtful rededication to the careful observance of the self-restraint they have imposed, can provide a far better solution to the problem than any congressional action which might threaten or restrict the use of free speech on the air. I believe a study of these self-imposed restrictions, together with a review of recent radio programs must convince any reader that with a few unfortunate - although rather conspicuous - exceptions, radio is now trying hard to live up to the standards of public service it has set for it-

self in the attached regulations. It is to be hoped that exceptions to the rule will not be permitted to mar the record.

"I have every confidence that American radio is trying to do a sincere and sensible job of reporting war news to America. In conversation with Mr. Butcher, he told me of how certain radio commentators had been discontinued because their methods were on the side of the hysterical rather than the factual, and he assured me that radio was constantly watching its programs to keep them in harmony with the best interests of the country. It is encouraging to us all to be assured that so young an institution as radio in the field of reporting is already building a tradition and establishing standards which indicate it is paralleling the record of the American press in richly meriting the important responsibilities reposed by the rights and privileges which it enjoys.

"I am frank to say that I do not quite share Mr. Butcher's enthusiastic endorsement of the degree to which radio is conforming with the admirable code it has established for itself. As vice president of the Columbia Broadcasting Co., however, Mr. Butcher may be excused for being somewhat inclined to play down radio's excesses and errors and to stress its commendable features.

"I have heard too many Members of Congress condemning 'hysterical radio commentators' and 'upsetting radio programs' and have read too many editorial complaints and letters of protest to believe that radio is blameless and that its self-imposed restrictions are either quite inclusive enough or quite sufficiently respected. But radio is young in this field of public service, and I am encouraged and gratified by the fact that, first, it has recognized that the war situation reposes unusual responsibilities upon it; second, it has set up a set of voluntary regulations to govern its handling of war news; third, it has replaced some of its more hysterical and least stable announcers and commentators by men and women with a greater devotion to factual reporting and less of a flair for amateur dramatics; and, fourth, it is keeping alert to the situation and is endeavoring to further regulate itself as new needs for such restraints become evident.

"Radio has thus demonstrated its desire and determination to protect its privileges by the intelligent course of establishing its own restrictions against public-penalizing excesses. As a firm believer in the significance of free speech, I am sure this method has many advantages over the various proposals for intensified Government regulation and supervision which are beginning to be discussed informally, and rather too generally, in the congressional cloakrooms.

"If war should come to America or if America should inject itself into foreign war, complete Government censorship and perhaps Government ownership and operation of radio would probably follow as the night the day. Personally, I would abhor this action but there is little reason to doubt its eventuality. It is altogether too possible that privately owned and operated radio would never again prevail in America should we be drawn or driven into war.

"One has only to look at the harrowing experience of the railroads since the Government took them over in the World War to realize what Government-operated radio would do to this great industry if we should go to war again. Too, once a political administration tasted the intoxicating blood of power which would come from Government radio, it is extremely unlikely, and contrary to all the lessons of history, that private businessmen would ever again be given the right to own and operate the radios, determine what programs to use or decline, and hold virtual monopolies over favored airwaves for private profit. Private radio would, in all likelihood, be one of the first and one of the permanent casualties of another war involving America. But America is at peace.

"I know it is the hope of Members of Congress and radio executives alike that the peaceful progress of this country can go ahead without new regulations and restrictions being placed on the radio industry. I hope a faithful devotion to the following self-imposed radio regulations (C.B.S. European war coverage - a Memorandum Governing General Operations for the Information of the Organization, September 5, 1939) and a frequent revaluation of their adequacy by radio itself will prevent emotional excesses and broadcasting bad taste which might goad a disillusioned America to insist on Congressional action to prevent abuses which I am sure radio itself is ready, willing, and able to prevent."

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LOHR'S SUCCESSOR TO BE ELECTED JULY 12

A new President of the National Broadcasting Company will be elected at the next regular meeting of the NBC Board of Directors on July 12, David Sarnoff, Chairman, said this week.

Lenox R. Lohr tendered his resignation as NBC President last Friday. He informed the Board that he had received an invitation to become President of the Chicago Museum of Science and Industry and desired to accept the position. He requested that he be relieved of the NBC presidency which he has held since 1936, as soon as convenient so that he can return to Chicago, where he was previously engaged as General Manager of the Chicago Century of Progress.

Mr. Lohr, in his letter of resignation to Mr. Sarnoff, wrote:

"It is an action which I cannot take without expressing, both to you and to the Board, my appreciation for your kindnesses to me and my deep sense of obligation to the members of NBC's staff who so loyally and faithfully have worked to maintain the company's preeminence in radio."

Mr. Lohr accepted the Chicago post, according to Col. A. A. Sprague, because of his "devotion to Rufus Dawes" and is giving up a highly remunerative position at a "great financial sacrifice to himself".

Mr. Sarnoff expressed his high regard for Mr. Lohr and for the faithful services rendered by him to the company and to the broadcasting industry and added that in accordance with his request, Mr. Lohr's resignation will be accepted at the next regular meeting of the NBC Board July 12th.

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MONOPOLY REPORT PROMISED THIS WEEK BY FLY

Chairman James L. Fly, of the Federal Communications Commission, stated at his weekly press conference Monday that the long-delayed monopoly report probably will be submitted this week by the FCC Committee to the full Commission. The FCC will decide whether or not to release it before acting, but it is expected that the report will be made public.

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EARLY MORNING LOCAL BROADCASTS ARE AUTHORIZED

Early morning broadcast service to many rural sections now denied such service is invited by Federal Communications Commission action in authorizing daytime and limited-time standard broadcast stations to begin operation at 4 A.M., local standard time.

Many farmers and other dwellers in rural areas arise before sunrise and in the past have had to rely upon distant broadcast stations for program service. The new ruling will permit local stations generally to start broadcasting earlier, thus furnishing farm communities with general news and vital information concerning local weather conditions and agricultural market reports at the beginning of the work day.

Although some interference may result from this new opportunity to broadcast between the hours of 4 A.M. and sunrise, the Commission believes that the overall effect of its order will be to benefit particularly those residents of farming areas who have heretofore not had such early local program service.

The new order of the Commission does not change any of the rules and regulations regarding standard broadcast operations which apply to the regular broadcast day, which is defined as that period of time between local sunrise and 12 midnight local standard time. Additional hours are granted during the experimental period which is defined in Section 3.10 of the Commission's rules as that time between midnight and local sunrise; consequently, any interference which may result to standard broadcasting will be experienced chiefly during the "experimental period".

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FLY UNABLE TO ATTEND RMA CONVENTION

Chairman James L. Fly, of the Federal Communications Commission, stated this week he would be unable to attend the RMA convention in Chicago this week due to the pressure of business before the Commission.

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CHANGES MADE IN STANDARDS BUREAU BROADCASTS

The U. S. Bureau of Standards announces that the following changes have been made in the standards of frequency and musical pitch broadcast from the Bureau's radio station WWV at Beltsville, Md.: (a) The frequency of 20 megacycles per second has been replaced by 15 Mc/sec; (b) announcements are given by voice only, not by telegraph keying; (c) announcements during the musical-pitch broadcasting are given every 5 instead of every 10 minutes; (d) the ionosphere bulletins have been discontinued.

The standard-frequency broadcasts now include: Standard radio frequencies; standard time intervals (seconds pulses); standard audio frequency; and standard musical pitch (440 c/sec). The last-named, and its carrier, a standard, 5 Mc/sec., are broadcast continuously, day and night.

Those desiring full details should write to the National Bureau of Standards, Washington, D. C., for a copy of Letter Circular LC591, "Standard of Frequency and Musical Pitch Broadcast by National Bureau of Standards".

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The Potomat Electric Power Company of Washington, D.C., has been given permission to erect a special short-wave transmitter east of the Benning power plant to give emergency calls to company repair trucks and other emergency vehicles.

The plan contemplated by Pepco is intended to expedite the company's emergency repair services, but the plan also anticipates eventualities such as sabotage should the United States become embroiled in war, officials said. It was explained the plan envisioned use of the transmission to emergency vehicles in any need that might arise in case of sabotage or bombings.

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TRADE NOTES

David Sarnoff, President, and Edward J. McGrady, Vice President, of the Radio Corporation of America, have been elected to an Advisory Committee that will advise George A. Sloan, newly-appointed Commissioner of Commerce for the City of New York.

Fifty-seven graduates of the Capitol Radio Engineering Institute, Washington, were urged to prepare themselves for a totally different world with new industries and opportunities by Prof. Louis Denton Bliss, head of the Bliss School, at their graduation dinner Friday night in the Willard Hotel,

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The New York Curb Exchange has removed from listing the old common stock of the National Union Radio Corporation, $1 par value, and admitted to listed trading the new common stock, thirty-cent par value, which has been issued in share-for-share exchange.

Complying with an order of the Federal Communications Commission that all international stations operate with a minimum power of 50 kw., the National Broadcasting Company this week applied to the Federal Communications Commission for permission to double the power of its two 25,000 watt short-wave stations serving Europe and Latin America.

A spokesman for NBC explained that with doubled power and other improvements specified in the application, the stations WRCA and WNBI at Bound Brook, N.J., "will increase their effectiveness in acquainting foreign listeners with world news and American official attitudes."

Commissioner George Henry Payne this week submitted a report to the Federal Communications Commission recommending that the revocation orders issued against Stations KSAM, Huntsville, Texas, and KAND, Corsicana, Texas, be affirmed.

Transradio Press Service and the British United Press had had their licenses cancelled in Canada as of July 1, according to Transport Minister C. D. Howe, with the proviso that such permits would be granted as usual on that date if those two services produced proof of the bonafides of their news sources.

WLOL, new 1,000 watt radio station in Minneapolis-St. Paul, becomes a Mutual network affiliate on June 17, the day the station begins operations. This affiliation will give Mutual full-time ooverage in the Twin Cities. The new station is Mutual's 131st affiliate. It is operating on 1,300 kc.

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CAN'T PUT ANYONE ON OR OFF THE AIR, SAYS FCC

Recent events have prompted the Federal Communications Commission to reiterate that, having no authority to censor radio programs, it can neither put anybody off the air nor on the air. The FCC release apparently was an answer to complaints against the broadcasts of the Communist convention.

In the matter of broadcast time for candidates for public office, the FCC pointed out the Communications Act specifies: "If any licensee (station) shall permit any person who is a legally qualified candidate for public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting stations. . . ." and shall have "no power of censorship" over the material so broadcast. However, there is no requirement that the station must give such time in the first place, for Section 315 of the Act stipulates: "No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate."

Under the statute injunction against interference with individual radio programs, the Commission has had to advise inquirers that it is equally without authority to:

Censor statements of radio commentators, as requested by a New York man.

Require a national network to grant time to a Florida man to discuss national defense.

Deny the radio to "pressure groups interested in involving the United States in the present European conflict", as demanded by a New York woman.

Accede to request by a California woman that "pressure be put on radio stations to allow only 'sane' and 'unbiased' programs, which cut out all propaganda for war".

Pass on the type of wording of advertising announcements, as suggested by many listeners.

Likewise, the Commission has no authority to handle a New Orleans request that a radio station be made to employ six musicians instead of a trio.

Take action on complaint of a Peoria, Illinois, property owner relating to the height of his neighbor's aerial.

Help a New York woman develop a radio device for detecting and destroying enemy airplanes - or perfect a District of Columbia inventor's radio horn.

FCC's first printed general information booklet, "An ABC of the FCC", 13 pages,pocket size, is now being distributed on request.

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RADIO REVOLUTIONIZES WARFARE SAYS WOR'S MILITARY EXPERT

Radio broadcasting, along with the gasoline engine, has revolutionized warfare more than anything else since the invention of gunpowder, according to Major Leonard J. Nason, whose military analyses are a feature of WOR-Mutual's coverage of the European War.

While most people realize the importance of broadcasting as a weapon in the international propaganda battle between the Allies and Germany, the fact that radio plays an even more important war role as an actual instrument of battle has been generally overlooked, Major Nason pointed out.

Use of pack transmitters by front-line infantry, and larger two-way sets by artillery, aerial, and mechanized units have greatly facilitated the German advances, he said.

Radio is a far more effective means of battle communication than the telephone. "In the first World War", Major Nason recalled, "the first thing that happened in any offensive was the destruction of phone lines by the enemy bombardment." The Major cited the case of the second Battle of the Marne in 1918: The Germans crossed the Marne at four in the morning but many of the Allied units did not receive news of the crossing until 9 A.M., and some commanders were not able to get a complete picture of the situation until late in the afternoon.

"Such a situation would not happen in modern warfare if the army is radio equipped", Major Nason explains. "Today front line units are equipped with portable radios and transmitters, and are in direct communication by voice with their units and division commanders and also with the chief of operations. A verbal order can be given and heard simultaneously by every unit in a large field army. A battlefield movement that, under old conditions, would have taken two or three days now can be completed in an hour!"

The Germans, according to Major Nason, are reported to have arranged some audible signal from GHQ by radio, so that every unit of the army down to the platoon can be launched simultaneously into a major offensive. This is extremely important, because if necessary the attack can be postponed by radio at the last minute. In the last war, the Major pointed out, general attack orders were transmitted by messengers, and once they had left GHQ there usually was no stopping the attack, even though the enemy might have discovered the plans.

"It is highly probable that in the recent battles, the British and French Armies in the field were not able to apply radio voice communication as widely and effectively as the German Army", Major Nason stated. "In fact, I don't believe that before this War, the British and French had any voice radio installations for infantry at all. The French and British had planned to fight a position, or static war, where they would have ready facilities for communications by telephone."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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RECEIVED
JUN 15 1940

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No. 1242

CURB ON NETWORKS SEEN AS MONOPOLY REPORT IS RELEASED

Unless the national emergency prevents or the Administration intervenes, the Federal Communications Commission is expected to take steps to curb the control exercised by the major radio networks over the broadcasting industry, especially over the activities of affiliated stations.

This was indicated as the FCC hurriedly released its long-delayed report on the monopoly investigation just as Commissioner Thad Brown, Chairman of the Monopoly Committee, was summoned before the Senate Interstate Commerce Committee and given a severe grilling by Senator Tobey (R.), of New Hampshire.

While the report, which is highly critical of the comination of the broadcast industry by the networks, particularly the National Broadcasting Company and the Columbia Broadcasting System, has not yet been approved by the full Commission, it is likely that Chairman James L. Fly will go along with the three-man committee in pressing for special regulations to govern the chains.

The significance of the monopoly report, based on a two-year investigation, will not be determined, observers believe, until the FCC decides what steps to take to cure the abuses cited by the Committee. The Committee, which included Commissioners Paul A. Walker and Frederick I. Thompson, did not advocate any action that would break up the networks but recommended that the advantages of the chain system of broadcasting be retained while the evils be eliminated.

The Committee said that no amendments to the Communications Act are necessary and pointed out that the FCC has authority "to make special regulations applicable to radio stations engaged in chain broadcasting". If any further authority is found to be needed later, the report stated, amendments to the radio law may be proposed to the next Congress.

The report is expected to encounter some opposition on the Commission itself, particularly if the Commission proposes too drastic curbs on the networks in whatever regulations may be drawn up. If the national defense emergency grows in seriousness, the whole report may well be put aside for the present.

"The heart of the abuses of chain broadcasting is the network-outlet contract", the Committee declared. Accordingly, it recommended "reformation" of these contracts to eliminate such abuses while retaining the advantages of chain service.

The 1300-page report of the Committee "reveals at every turn the dominant position of the network organizations in the field of radiobroadcasting." It is based upon more than 10,000 pages of testimony and nearly 800 exhibits, largely obtained through hearings which continued for 73 days, in an investigation pursuant to a Commission order of March 18, 1938.

The Committee found that the interests of affiliated stations "have been subordinated to the interests of the network owned and controlled station". It points out that of the 660 standard broadcast stations operated in 1938, more than half - 350 - were on major networks and included almost all of the country's high-powered stations. The 660 stations were owned by 460 persons. However, 87 of these persons owned more than one station and received approximately 52 percent of the total business of all commercial broadcast stations.

Apart from the stations affiliated with their networks, the National Broadcasting Company and the Columbia Broadcasting System in 1938 owned or controlled 23 stations, of which 15 were 50-kilowatt, unlimited time, clear channel stations. The record reveals that the chains have developed around these key stations and have been operated largely for their benefit.

"The predominance of network organization is evidenced by their disproportionate share of the income of the radio broadcasting industry", the Committee commented in reporting that of the $18,854,784 net operating income of all the stations and networks for 1938, nearly half - $9,277,352 - went to National and Columbia.

Examples of "arbitrary and inequitable practices" on the part of the networks in their relation with affiliated stations are cited by the report as follows:

> "The provision that the outlet station cannot accept programs from any network other than the one to which it is bound by contract deprives the station of profitable business and the listening public of programs for which there is a demand.
>
> "The practice of requiring stations to set aside all or a major portion of their broadcast time for the utilization of the networks, regardless of whether such time is used or not, places an undue burden upon the outlet station and lessens the ability of the station to serve the local needs of the community.
>
> "The provision that non-network rates for national advertising business cannot be less than those of the network prevents the outlet station from entering into a healthy competition for advertising business.

"The provisions of the contract concerning the free use of the first converted hours (a nighttime hour or its equivalent in two daytime hours operation), combined with low initial compensating rates for the next hours, results in an inequitable distribution of proceeds from network broadcasting. Whereas Columbia and National had aggregate network time sales of $44,313,778 for 1938, they paid to the 253 independently controlled stations on their networks only $12,267,560, approximately one-half of which was paid to 25 of these stations with a relatively strong competitive position based on the need of the networks for their particular facilities.

"Moreover, the contracts generally cover periods of time far in excess of the period for which the station is licensed and bind the outlet to network policies far beyond the expiration date of the license."

The Committee found these "arbitrary contractual arrangements" further reflected in the program policies of the networks, mentioning:

"Outlet stations are required by their contracts to accept all commercial programs sent by the network organizations unless they are able to prove to the satisfaction of the networks that a particular program will not serve public interest. Since the outlet stations have only general advance knowledge of the content of the program, they have come to accept whatever the network chooses to forward to them.

"Furthermore, approximately 90 percent of the commercial programs sent by network organizations are produced by advertising agencies, so that the delegation of program responsibility by the licensee is carried one step further."

The Committee cited a number of instances in which chains have gone even farther than the regular network-outlet contract and have "actually taken over the management" of the affiliated station in violation of Section 310(b) of the Communications Act.

Pointing out that all but two of the 34 high-power, clear-channel stations and all the high-power regional stations are on the two major networks, the Committee reaches "the inescapable conclusion . . . . that National and Columbia, directed by a few men, hold a powerful influence over the public domain of the air and measurably control radio communication to the people of the United States", adding: "If freedom of communication is one of the precious possessions of the American people, such a condition is not thought by the committee to be in the public interest and presents inherent danger to the welfare of a country where democratic processes prevail."

The policy of CBS and NBC of placing talent under exclusive contract, according to the report, has the effect of limiting the efforts of much of the best talent in the country to network programs and of arbitrarily restricting the programs of independent competing stations, as well as the communities in which these independent stations are located. These two networks between them control about 800 of the best known artists in the broadcast and concert field.

The report reveals the National Broadcasting Company a dominant factor in the field of electrical transcriptions, stating: "The Committee feels that such domination reacts to public disadvantage by penalizing independent stations which, not being members of a network, must make frequent use of electrical transcriptions."

The practices of Mutual, it is pointed out, differ somewhat from the general network operations. At the time of the hearings, Mutual took no options on the time of stations and received only a commission, not exceeding 15 percent, on the proceeds of network commercials. While it has an organization for selling network commercial program time to advertising agencies, the stations which served as Mutual outlets have the privilege of also selling the network time, for which they share commissions with Mutual. Also, Mutual has no program producing facilities.

"The business of broadcasting is the fastest growing source of advertising revenue in America", comments the report in showing that income from this source increased from $28,000,000 gross in 1928 to $165,000,000 ten years later. But unlike other big business enterprises, broadcasting is not the chief activity of its owners, but is operated principally as a "side line" to the main business.

Two-thirds of the nation's standard broadcast stations are operated as incidental to other businesses. In many cases, the actual owners of the stations do not personally operate them. In addition to the operation of approximately 300 stations by newspapers, 125 other stations are operated by businesses of various kinds. Two-thirds of all standard broadcast stations are licensed to corporations or are under their control.

Many of the largest corporations which control broadcast stations directly or indirectly are themselves controlled through proxy voting by a very small number of persons who, themselves, hold no material ownership interest in the companies, the report points out. For example, Radio Corporation of America, which owns the National Broadcasting Company, is controlled by three persons who between them own only 5,829 shares of a total of 9,864,502 voted by them.

The Committee's letter of transmittal accompanying the report summed up the recommendations as follows, in part:

"It is our opinion, based upon the extensive investigation which we have just completed, that public interest, convenience or necessity are adversely affected by inclusion in the network-outlet contracts of many of the contractual provisions discussed. . . The elimination of arbitrary and inequitable contractual arrangements will tend to subject the networks to active competition and will render the independent station more secure within the industry, and better able to cope with the networks in all fields of network activity.

"The Committee believes that competition in the radio-broadcast field can be further enhanced by a revision of the so-called clear-channel policy, whereby new stations are refused access to clear channels regardless of the service which the new station would be able to render and regardless of how small the interference to the clear channel would be. The record evidences that all but two of the high-power clear channel stations in the United States are on the Columbia and National networks as well as all the high-power regional stations. The exclusive grant of a clear channel to a station which can only serve limited areas prevents people in other sections of the country from receiving service from stations which could otherwise operate on the clear channel frequency. In our opinion, the Commission should consider the wisdom and practicability of utilizing the clear channels so that people living in all sections of the United States can have the benefit of radio reception at present denied them.

"The Committee believes that the Commission should proceed at once to deal with these problems to the extent that Congress has given it authority in the Communications Act of 1934. In our opinion, the Commission possesses ample power under the Communications Act to redefine its licensing policy and require the elimination of inequitable and arbitrary contractual arrangements which affect the duty of the licensee to serve the public interest. The actual administrative experience which the Commission will obtain under its new licensing policy will enable it to suggest to the Congress the enactment of amendatory legislation if such is later found to be necessary.

"It is the opinion of the Committee that through the exercise of the powers of the Commission in dealing with the contractual relations between network and outlet, the potential advantages of chain broadcasting in this country can be retained. At the same time, the abuses which have prevented many of its potential advantages from being realized can be corrected. It is the Committee's belief that the excision of arbitrary and inequitable provisions from network-outlet contracts will eliminate many of the detrimental practices involved in chain broadcasting without sacrificing any of the benefits.

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KNOWLSON ELECTED RMA PRESIDENT; DIRECTORS NAMED

James S. Knowlson, Chairman of the Board and President of the Stewart-Warner Corporation, was elected President of the Radio Manufacturers' Association Wednesday at the annual meeting in Chicago. He succeeds A. S. Wells, also of Chicago.

"Jim" Knowlson is a native Chicagoan, born there June 29, 1833, and was married to Miss Norah Eustis of Chicago. They have four children. Mr. Knowlson graduated from Cornell University (M.E. and E.E.) in 1905. He was electrical engineer of the General Electric Company, of Schenectady, 1905-09, and President of the Speedway Manufacturing Company. He is President and Chairman of the Board of Directors of the Stewart-Warner Corporation.

Mr. Knowlson is a member of the University, Chicago, Glen View, Commercial, Chicago Commonwealth, and Hinsdale golf clubs. He is a Sigma Psi, a Republican, an Episcopalian, and resides at Hinsdale, Ill.

Vice-Presidents chosen are: Paul V. Galvin, of the Galvin Manufacturing Co., Chicago; Roy Burlew, Ken-Rad Tube and Lamp Corp., Owensboro, Ky.; E. E. Osmun, Centralab, Milwaukee, Wis., and Donald MacGregor, of the Webster Co., Chicago.

Leslie F. Muter, of the Muter Co., Chicago, was re-elected Treasurer.

Among the Directors elected were: P. S. Billings, Paul V. Galvin, J. J. Kahn, and Donald MacGregor, all of Chicago; James T. Buckley and Ernest Searing of Philadelphia; H. C. Bonfig, of Camden, N.J., E. H. Vogel, of Fort Wayne, Indiana, David T. Schultz, of Newton, Mass., Octave Blake, of S. Plainfield, N.J., H. E. Osmun, of Milwaukee, Wis., Ray F. Sparrow, of Indianapolis, Ind., and James C. Daley, of Bellwood, Ill.

Necessity for the radio industry to meet its obligations in the present world and national situations was stressed at the opening of the Sixteenth Annual Convention. President A. S. Wells, of the Wells-Gardner Co., Chicago, and President of the RMA for the past two years, declared that the industry must prepare for the difficult problems and obligations now evident, together with more government regulation.

"This Association faces at the monent", he said, "as do all individually, a very critical time in its existence. That is true not only because of the fact that we have before us many controversial subjects but also because of the world situation which is forcing the government to assume more and more responsibility, so-called, toward industry. If we are to have more and more regulation by government, as seems obvious because of an apparent national necessity, it is much better that this Association, as well as all associations for that matter, be strong and

active so that they may function as they should function when making government contacts. We must recognize the fact that there will be more and more government regulation of all industry, and I think it is the belief of most of us that government regulation as it comes will come through trade associations, for the most part, when those associations show themselves to be strong and know what they are doing."

Several thousand radio distributors and dealers, as well as manufacturers, attended the annual radio industry meetings, including sessions of several allied industry organizations.

Steps toward nominations on the minimum wage committee of the Federal Wage-Hour Administration were taken by the RMA Board of Directors. A radio industry committee is planned later this year by the Wage-Hour Administration to consist of one-third each of representatives of the industry, labor and the public, with nominations for the industry group to be made by the Radio Manufacturers' Association.

The policy regarding maintenance of replacement parts for receiving sets also was considered by the Board of Directors and a committee appointed to arrange for a definite guaranty to the public in buying receivers that replacement parts will be available for the average life of the receiver.

The annual industry banquet was held Wednesday night in the Grand Ball Room of the Stevens Hotel, and the National Parts Trade Show was continued through Friday evening.

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LICENSES EXTENDED PENDING TREATY REALLOCATIONS

In order to permit further studies of the frequency assignments to stations under the North American Regional Broadcast Agreement, the Federal Communications Commission this week extended standard broadcast station licenses expiring August 1 for an additional two months to October 1. The Commission will announce at a later date the procedure with respect to the licensing of facilities which will be available under the provisions of this agreement.

The order applies to all standard broadcast stations, and automatically extends the expiration date of all licenses for which applications for renewals have been filed. Modified licenses to cover the new expiration date will not be issued.

Licensees who have not as yet submitted renewal applications are notified that in order to permit operation after August 1 applications for renewal, based on the present authorized facilities, must be filed. However, if an application for renewal covering the period beyond August 1 has been filed, it will not be necessary to refile such application under the new order.

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CRAVEN SEES COMMERCIAL TELEVISION AT EARLY DATE

Commissioner T.A.M. Craven, Chairman of the Special Television Committee of the Federal Communications Commission, believes that several competitive commercial television stations will be operating in the United States "at a relatively early date" unless the economic effects of the European war retards the industry's development.

He has so informed Senator Lundeen (Farmer-Labor), of Minnesota, in a letter replying to the Senator's inquiry as to why he voted for the recent FCC decision to withhold commercial television until the industry agrees on a single transmission standard. Commissioner Craven previously had opposed the FCC action in reopening the television inquiry.

Commander Craven said he does not agree with some of the details of the May 28th report but that he concurs with the Commission "in its broader objectives".

"It is my opinion", he wrote, "that the Commission intends to encourage actively the promotion of television as a service to the public in their homes. It is my belief that as soon as the scientists of the industry can come to an unbiased agreement with respect to the best current engineering practices for television, the Commission will authorize full commercialization to be undertaken by licensees of television broadcast stations. In the near future the Chairman of the Commission will call to Washington the leading television engineers of the country for the purpose of encouraging higher standards and coordinated approach to research. Thus, with this cooperation between the Commission and the industry, technical progress and agreement on basic standards of the best current engineering practice can be facilitated. In this connection I do not believe anyone will condone 'stalling' by any licensee, engineer, or manufacturer on the question of the best current engineering practices in television.

"In addition, the Commission intends to grant immediately several pending applications for television broadcast stations throughout the country. The Commission will authorize these licensees to transmit television programs while, at the same time, requiring them to keep their stations abreast of scientific progress by undertaking research leading to uniformity in the external performance characteristic of the transmitters.

"The foregoing appears to me to have the broad objective of facilitating rapid progress toward the adoption of proper uniform standards of current engineering practice for television. At the same time there is the intention of authorizing television broadcasting stations operated by private enterprise on a regular business basis as soon as this is consistent with the adoption of proper uniform engineering standards for transmitter performance. With such objectives television can move forward faster than it has in several years past, because the Commission again presents some incentive to the television pioneers of the Nation. The Commission's report indicates it will authorize full commercialization of television as soon as the engineering opinion of the

industry is prepared to approve any one of the competing television systems.

"Since I am vitally interested in making constructive progress to start television as a vast new industry, with all its implications as to service and employment, I see no logical reason for insisting upon one method in preference to others, provided all of us can agree on something which is intended to stimulate progress. While I regret the Commission's rules will not permit immediate commercialization by experimental television station designed primarily to broadcast television programs, my colleagues prefer another method also designed to achieve progress on to the ultimate goal of good television service to the public. I recognize that other methods may possibly achieve the desired goal by a different route. Therefore, under the circumstances, I see no valid reason for dissenting in this respect. I am confident that the Commission will not delay authorizing commercial television by waiting unduly for the unknown inventions of the future.

"While I have advocated public trials of different television engineering developments, if such be necessary to get television started, I recognize that this procedure has disadvantages as well as advantages. I also recognize, and have also advocated, the desirability of the industry progressing uniformly and concurrently with respect to standards of engineering practice. Uniform standards should be the ultimate goal. Personally, I prefer that the Commission refuse to approve or disapprove standards at this time because of the disagreement among the engineers of the industry. However, I have no basic objection to the Commission prescribing such uniform standards from time to time, provided such standards are broad in base and subject to change; and provided further that such action does not preclude public trial of technical developments of the future. In this connection, any standards adopted or prescribed today will be changed in the future anyway, as new inventions are made, or as public opinion dictates. No one can stop inventive genius or control public opinion. For example, I cannot envisage either the television industry or the Commission being bound 10 years hence by the best engineering practices current today, even though standardization will influence the situation. Improvements undoubtedly will occur requiring frequent changes even in basic standards. While the problem of obsolescence is a factor to be considered, I do not believe that factor alone will or can stop progress or prevent changes for the better.

"Therefore, in connection with this engineering phase of the television problem, it appears useless for me to insist upon a specific procedure."

Commissioner Craven concluded that he had "discussed this reply to your inquiry with the chairman of this Commission. He informs me that we are in close agreement on the broad objective of facilitating progress in television", he added.

The correspondence was carried in the appendix of the Congressional Record on Wednesday.

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TRADE NOTES

The Federal Communications Commission has granted the Mackay Radio and Telegraph Company special temporary authority for the establishment of a direct radiotelegraph circuit between New York City and Rome, Italy, employing existing facilities and frequencies authorized that company for use at Brentwood, N.Y. Request was filed because Commercial Cable Co. communications between New York and Rome have been interrupted. The Mackay company intends to provide direct radio service with Rome heretofore conducted by its associated cable company.

The National Broadcasting Company has been authorized by the Federal Communications Commission to use the short-wave radio channel of 11,820 kilocycles in improving its international broadcasting service, according to an announcement from Radio City. The new frequency, assigned to Station WNBI, Bound Brook, New Jersey, will go into service next week.

A complaint charging the use of lottery methods in connection with the sale of radios and other merchandise to ultimate consumers has been issued by the Federal Trade Commission against Leona Johnson and Aubrey M. Graff, individually and trading as Radio Distributors, 30 North Dearborn St., Chicago.

The Hotel Astor has signed a contract for a weekly series of commercial shortwave broadcasts to Latin America, according to L. P. Yandell, Director of International Commercial Broadcasting for the National Broadcasting Company. The Astor is the second hotel to buy foreign time on NBC.

WOL, Washington, this week filed suit in the New York Federal Court against the Wahl Eversharp Pencil and Biow Agency, seeking $240,500 damages for alleged infringement of copyright. An injunction against the program "Take It Or Leave It" broadcast Sundays over CBS at 10 P.M. is also sought.

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ORDER ON AMATEUR PORTABLE TRANSMITTERS MODIFIED

The Federal Communications Commission this week amended its order banning use of licensed portable and portable-mobile amateur stations on frequencies below 56,000 kc., to permit domestic communication with such licensed equipment in the public interest during a "bona-fide" communications emergency when normal facilities are inadequate or non-existent, and to allow actual domestic testing and developing of this emergency use equipment on Saturdays and Sundays of each week, between sunrise and sunset, providing notice is given at least 48 hours in advance to the Commission's inspector in charge of the district in which such domestic operation is contemplated.

The FCC also interpreted its Order 73, which forbids operation of portable and portable-mobile amateur stations on frequencies below 56,000 kc. to not apply to an amateur who changes residence and moves his fixed station equipment accordingly.

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THAD BROWN GETS ROUGH TREATMENT AT SENATE HEARING

Commissioner Thad H. Brown was given one of the most severe grillings that a member of the Federal Communications Commission has ever had on Capitol Hill this week when the Senate Interstate Commerce Commission summoned him before a public hearing. Oddly enough, Colonel Brown got his roughest treatment from the Republicans although he was renominated for a seven-year term as a Republican from Ohio.

Senator Tobey (R.), of New Hampshire, conducted most of the inquisition, but he was assisted occasionally by Senator White (R.), of Maine, and Chairman Wheeler (D.), of Montana. The Committee adjourned without taking any action on the renomination as some of the members indicated they wanted to see the monopoly report before voting.

The questioning of the Commissioners ranged from inquiries as to what influence Tommy Corcoran and Ben Cohen have exercised over the Commission to what happened at a party given by several members of the Commission in a New York night club.

In most instances, Colonel Brown was able to evade a direct answer to the questions by either explaining that he did not know or that some other member of the Commission had handled the matter. He also explained from time to time that the answer could be found in the monopoly report, which was released just as he appeared before the Committee.

It is expected that Colonel Brown's nomination will come in at least for some discussion, if not opposition, when it reaches the Senate floor.

Senator Tobey pressed the Commissioner for details of what he termed a "brawl" at a dinner party in a New York "hot spot", according to the Associated Press. At one point he asked whether any women entertainers at the party came off the stage and "came in contact with members of the party".

"No", said Colonel Brown.

He also replied in the negative when Senator Tobey asked if one of the guests had "put his hand on one of the women's legs."

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CRAIG, CAREER MAN, A. T. & T. VICE PRESIDENT

Cleo F. Craig, who begin his telephone career as a $15-a-week equipment inspector, was elected Vice President of the American Telephone and Telegraph Company this week. In his new post Mr. Carig, who succeeds Theodore G. Miller, retired, will have complete charge of A.T. & T.'s long-distance service.

Mr. Craig has had a typical Bell System career, coming up through the ranks and serving in a diversity of territory. He was born in Rich Hill, Jo., and upon graduation from the University of Missouri in 1913, joined the St. Louis office of the Long-Lines Department of A. T. & T. as Equipment Inspector. He was soon moved to Kansas City, but returned to St. Louis in 1917 and by 1920 was made District Plant Superintendent. In 1922, Mr. Craig went to New York as Plant Accountant and remained until 1925, when he was appointed Division Plant Superintendent in Atlanta. In 1927 he returned to the New York headquarters and in 1933 became General Manager of the Long-Lines Department.

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No. 1243

June 18, 1940

FCC ISSUES WARNING TO ALL COMMERCIAL OPERATORS

All classes of commercial radio operators were this week formally warned by the Federal Communications Commission to heed the strict letter of the law and international regulations which specifically prohibit superfluous and unnecessary personal chatter by radio. The Commission served notice that it intends to enforce these provisions vigorously, and that it will hold station licensees as well as commercial operators strictly accountable for any violation.

This warning applies to radiotelephone and radiotelegraph services both. It augments the Commission notice of June 10 which particularly cautioned ship radio operators and ship station licensees against transmission of superfluous, unnecessary or unidentified conversation.

The full text of the FCC formal notice follows:

"On June 10, 1940, the Commission issued a warning specifically addressed to ship radio operators and ship station licensees against the transmission of superfluous, unnecessary or unidentified communications. The purpose of this notice is to emphasize the importance of strict compliance with the previous notice and at the same time to call attention specifically that the provisions of statute and treaty prohibition the transmission of superfluous, unnecessary or unidentified communications apply to all commercial operators as well as those communicating from ship stations.

"The General Radio Regulations (Cairo Revision, 1938) annexed to the International Telecommunications Convention (Madrid, 1932), to which this Government is a party, and the Communications Act of 1934, specifically prohibit the transmission of superfluous, unnecessary or unidentified communications. The Commission intends to uphold vigorously these provisions of law and treaty and will hold all commercial radio operators and station licensees strictly accountable for any violations."

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RMA SETS UP POLICY COMMITTEE TO MEET NEW PROBLEMS

The Radio Manufacturers' Association, before concluding its convention in Chicago last week, set up a Policy or Executive Committee to make RMA a more effective industrial organization and to meet difficult problems ahead, according to Bond Geddes, Executive Vice-President.

The Committee comprises Ben Abrams, President of the Emerson Radio & Phonograph Corp., New York City; Dr. W. R. G. Baker, Managing Engineer, Radio Division, General Electric Company, Bridgeport, Conn.; H. C. Bonfig, Vice-President, RCA Manufacturing Co., Camden, New Jersey; James T. Buckley, President, Philadelphia Storage Battery Company, Philadelphia, Pa., E. F. McDonald, Jr., President, Zenith Radio Corporation, Chicago, Ill; A. S. Wells, President of the Wells-Gardner & Company, Chicago, Ill., and former RMA President; and James S. Knowlson, Chairman of the Stewart-Warner Corporation, Chicago, Ill., and newly-elected President, as Chairman. This Committee, it was said, will have general charge of RMA operations and activities.

Both Mr. Knowlson and Mr. Wells in their convention addresses emphasized the need to strengthen the industry's organization.

At the annual membership luncheon of RMA members, Mr. Wells stressed the necessity for the radio industry to meet its obligations in the present world and national situations.

"This Association faces, as do all individually, a very critical time in its existence", he said. "This is true not only because of the fact that we have before us many controversial subjects, but also because of the world situation which is forcing the government to assume more and more responsibility, so-called, toward industry. If we are to have more and more regulation by government, as seems obvious because of an apparent national necessity, it is much better that this Association, as well as all associations for that matter, be strong and active so that they may function as they should function when making government contacts. We must recognize the fact that there will be more and more regulation of all industry, and I think it is the belief of most of us that government regulation as it comes will come through trade associations, for the most part, when those associations show themselves to be strong and know what they are doing."

Another speaker at the RMA membership meeting was John H. Payne, Chief of the Electrical and Radio Division of the U. S. Bureau of Foreign and Domestic Commerce.

Thousands of radio distributors, dealers and servicemen were attracted to Chicago for the annual National Radio Parts Show, in the Exhibition Hall of the Stevens Hotel, jointly sponsored by RMA and the Sales Managers Club. The attendance was the largest in

several years, and the exhibits overflowed the Exhibition Hall. The Parts Show was again under the management of Ken Hathaway.

Many measures in behalf of the industry and to extend RMA activities were projected during the Chicago convention. Steps toward nominations on a minimum wage committee for the radio industry, to be appointed during the next few months by the U. S. Wage-Hour Administration, were taken. Preliminaries include nomination by RMA of industry representatives to the Committee which will consist of one-third each of industry representatives, labor and the public.

A policy for maintenance of replacement parts for receiving sets also was considered by the RMA Board of Directors. A committee will be appointed to arrange a definite recommended RMA guarantee regarding the period for availability of replacement parts. Another special committee to arrange weekly statistical reports for RMA parts and accessory manufacturers also was authorized.

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FLY TO ADDRESS NAB; WAR TO BE DISCUSSED

James Lawrence Fly, Chairman of the Federal Communications, will be the principal speaker at the convention of the National Association of Broadcasters in San Francisco August 4-7, according to the tentative agenda. It is expected that he will discuss radio and communications in the national emergency.

An entire session of the convention will be given over to a discussion of radio and the war. Special events directors of the major networks are expected to open this roundtable discussion. There also may be a speaker from one of the military departments on war developments and how radio can best cope with the emergency.

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STUDY RADIO, ADMIRAL KING ADVISES YOUNG MEN

Speaking in the American Forum of the Air over Station WOL, Washington, Sunday night, Rear Admiral E. J. King, of the General Board of the U. S. Navy, advised young men to study machines and to begin by studying automobiles and radio sets.

"If you know how your automobile works", he said, "You'll know how many machines used in national defense work, and if you know how your radio works, you'll know a very important part of national defense communications."

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RULE ON BROADCAST OF NAVAL TIME SIGNALS MODIFIED

Because of complaints that many radio stations have been forced to discontinue the broadcasting of Naval Observatory time signals due to an FCC ruling that the signal must be obtained directly from a Naval transmitter, the Federal Communications Commission has modified its original order of February 9.

In order to meet the former requirements, it was necessary that the Naval Observatory time signals be obtained by direct reception from a Naval radio station which was transmitting the time signal with relatively short circuits between the receiver and the broadcast transmitter. This required that stations which formerly obtained the time signals from the networks either discontinue the practice or make provisions for direct reception. A number of stations made such provisions; however, still others did not and, as a consequence, a large number of complaints have been received by both the Navy Department and the Commission in regard to the discontinuance of the rebroadcast of these time signals.

"The original requirements were made in order that the accuracy of the time signals might be improved so as to be acceptable for normal scientific purposes", the FCC explained. "However, upon receipt of the complaints mentioned above, this question was restudied and it appears that the time signals as transmitted by the various broadcast stations whether obtained by direct reception or by means of telephone lines, either local or national networks, are entirely satisfactory for the purposes of the average user provided no mechanical relays are used.

"Therefore, effective this date any broadcast station so desiring is hereby authorized to rebroadcast the Naval Observatory time signals or transmit the signals received from other sources provided no mechanical relays are used and that announcement of the time signal is made without reference to any commercial activity. Each licensee receiving the signals from wire lines should obtain and be prepared to inform any inquirers as to the actual time delay in transmission."

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A new song, entitled "WPA", which purports to describe in swing-tune lyrics certain advantages of working for the Work Projects Administration, has been banned by NBC and CBS for reasons of bad taste, it was disclosed last week.

Described as a "song novelty", and written by Jesse Stone, Negro song writer, the work makes slangy references to sleep, and to passing away the time. Although the broadcasting companies will have nothing to do with it, one phonograph concern has made three separate recordings of the song, and another has made one.

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KRKO DENIED RENEWAL; OUTSIDE CONTROL CHARGED

Denial of the application for renewal of license for Station KRKO, located at Everett, Washington, operated by Lee E. Mudgett on 1370 kilocycles, with 50 watts power, sharing time with KEEN at Seattle, was announced this week by the Federal Communications Commission.

The Commission in its Proposed Findings of Fact and Conclusions held that "the licensee, in the conduct of business and the exercise of rights associated with the operation of Station KRKO, has been dominated and directed by various persons who have provided funds in substantial amounts for the original acquisition of the station in 1934 and for its subsequent maintenance and operation . . . and the granting of the application for renewal of license for KRKO will not serve public interest, convenience or necessity."

Action of the Commission with reference to the granting of applications for renewal of licenses of stations in the radiobroadcast service is by the express provisions of the Communications Act limited to and governed by the same considerations and practice which affect the granting of original applications.

"Neither the letter nor the spirit of the licenses heretofore granted to Lee E. Mudgett for the operation of Station KRKO has been observed", the Commission explained, and "inasmuch as he has not been free to exercise the rights conferred therein, or to accept the responsibility thereby delegated to him, without intervention of outside influences, the granting of the application for renewal of license will not serve public interest, convenience or necessity."

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STATION OVER-RULED ON ECONOMIC PLEA IN COURT

Justice James W. Morris, of the U. S. District Court last week ruled that a radio station has no right to have the Federal Communications Commission protect its revenue against competition from another station.

Justice Morris dismissed the suit of Station KTSA, San Antonio, to compel the FCC to allow it to intervene in the proceedings by which Station KMAC sought more power and a change in frequency. KTSA claimed that its business would be harmed if KMAC's petition was granted.

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TELEVISION-TELEPHONE DEMONSTRATED AT N.Y. FAIR

The first public demonstration of what is called "the telephone of tomorrow", a combination of television and telephone equipment in a single operating unit that enables the speakers to see each other was staged Monday at the New York World's Fair.

Charles F. Kettering, Vice-President of General Motors in Charge of Research, participated in the demonstration.

The apparatus is not a true television-telephone, in that it uses coaxial cable connections rather than transmitting over the air by television frequencies, according to the New York Times. But it was explained that it could be hooked up on a coast-to-coast basis, and might be adapted to emergency situations where it was imperative that a government official, in Washington, for instance, knew he was talking to the right person at the other end of the line. This suggestion arose when it was recalled that German successes in the North were attributed to the interception of enemy phone calls by Norwegian-speaking Nazis.

Without emphasizing this rather melodramatic possibility of the new device, General Motors pointed to the demonstration as hinting "how television may in the future be used for utilitarian as well as for entertainment purposes."

"The use of such an apparatus, according to engineers, would be of great value in transacting certain kinds of business, and particularly in transmitting information of a secret nature intended only for the ears of a specific individual", officials pointed out. "Voice impersonation would be futile over a telephone hook-up of this kind."

The apparatus was set up by RCA television and General Motors research laboratories engineers.

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ENGLISH TEST RADIO RELAY AIR-RAID SIGNALS

An air-raid warning system which is operated over radio relay service lines was demonstrated at Dudley, England, recently, according to the "Electrical Review", published in London. It is stated that through its use a saving of £10,000 yearly would be effected in Dudley alone. A warning signal is transmitted from A.R.P. headquarters to the radio relay station and then relayed over the network to loudspeakers in the homes of volunteers who, if they desire, can listen to the radio relay program, in which case the signal would be superimposed.

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WAR BOOSTS SALE OF RADIO SETS IN U.S. AND CANADA

The broadcasts of news on the European war apparently have boosted the sales of radio receivers in the United States and Canada.

A forecast that the first half of 1940 will set an all time high record was made by New York manufacturers and distributors, according to the business page of the New York Times. A minimum gain of 25 percent has been chalked up since the first of the year, the report stated.

"This volume has not been entirely profitable to either manufacturers or dealers, as a good many sets have been dumped on the market since the start of the year at low prices", the Times said. "However, a currently popular model, the three-way portable, has been well maintained in price and is providing a substantial portion of sales."

The American Commercial Attache at Ottawa states that Canadian sales of radio receivers during March, as reported by the Radio Manufacturers' Association of Canada, numbered 19,559, as compared with 20,515 units in February and to 12,165 units in March 1939, according to a tabulation based upon returns from all but two of the twelve manufacturers in Canada. Sales in the first three months of 1940 numbered 60,165 as compared to 34,479 in the same months last year.

Inventories of companies reporting to the trade association as of March 31, 1940, totaled 57,371 units as compared to 48,023 units on hand at the end of February and to 39,271 units at the end of March 1939.

Detailed sales and inventory data, based on the report of the Radio Manufacturers' Association of Canada, are given in the following tables for the month of March. These figures are based on returns from all manufacturers except one Canadian firm and the branch of one American firm.

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THE FEDERAL COMMUNICATIONS COMMISSION LATE THIS AFTERNOON RELEASED FURTHER INFORMATION GOVERNING TELEVISION. DETAILS WILL BE GIVEN IN THE NEXT ISSUE OF THIS SERVICE.

R. D. H.

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TRADE NOTES

A scale of prices averaging 10 percent lower than last year marks the 1941 line of Silvertone radios of Sears, Roebuck & Co., it was announced last week at a meeting of Sears store executives and radio department heads at the Hotel Commodore, New York City.

Federal Judge John P. Barnes was notified last week in Chicago that the required majority of the stockholders had approved the reorganization plan for the Majestic Radio & Television Corp. The court set June 22 for a hearing on confirmation of the plan, which provides for a new company of the same name, with $165,000 working capital.

A. E. Nelson, Manager of Stations KPO and KGO in San Francisco has been appointed an Assistant Vice-President of the National Broadcasting Company, Niles Trammell, Executive Vice-President, has announced. Mr. Nelson will continue as Manager of the San Francisco stations and will assist Don Gilman, Vice-President of the Pacific Division, on all matters pertaining to Pacific Coast operations.

PM, the non-advertising daily newspaper that appeared in New York this week, will devote considerable space to news about radio and radio programs. Its radio staff comprises John T. McManus, editor, formerly of Time Magazine; Judy Dupuy, formerly of Station WNEW; Henry Lieberman, formerly of the New York Times; and Jerry Franklin, formerly of Billboard.

Louis Jutze, trading as Reliable Radio Company, 7710 South Bishop St., Chicago, in a Federal Trade Commission stipulation, agrees to desist from advertising that the "Tee-Nie" crystal radio set is designed to operate in one's pocket or without ground or aerial connections; that it gives clear reception, implying that reception is obtainable without earphones; that he has sold any number of Tee-Nie radios in excess of the number actually sold; that the instrument's principle of operation is new or different, or that the product is more effective than other types of radios.

Forty-eight million persons heard President Roosevelt's address Monday, June 10, from Charlottesville, Va., according to a nationwide survey conducted during the broadcast by the radio statistical firm of C. E. Hooper, Inc. The figures were released by the Columbia Broadcasting System.

Check-ups made between 7:15 and 7:40 P.M. disclosed that 16,000,000 families had tuned in on the broadcast, with an average of three persons listening in on each family set. This does not include persons who may have heard rebroadcasts of the talk.

A resolution requesting judges of the State and local courts to refrain from participation in sponsored broadcasts was adopted recently by the Board of Trustees of the Los Angeles Bar Association, according to Editor & Publisher. While no judge was mentioned by name, it was understood the resolution was directed toward Municipal Judge Leroy Dawson, who has "presided" on a "Quizz Court" program broadcast from a Los Angeles theater once a week, sponsored by P.D.G. gasoline. Judge Dawson does not accept payment for this service, but designates a charitable institution to which the gasoline company sends a check. The resolution suggested that the judge in question either discontinue his participation in the program, or cause the sponsor, announcers, advertising agency and all others in charge of the program "to refrain from using his name or the name or title of his judicial office, directly or indirectly, in any way or manner."

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TELEVISION TESTS PUSHED, JAPAN SAYS

Television research in Japan is being carried out at a number of institutes and laboratories, including the technical research laboratory of the Broadcasting Corporation of Japan; the Electric Laboratory of the Communications Ministry; the Higher Technical School, of Hamamatsu; and the Tokyo Radio and Electric Co., Ltd., according to the Broadcasting Corporation of Japan. Experimental broadcasts of television were made recently for the benefit of the general public in Japan.

"The Technical Research Laboratory of the Broadcasting Corporation of Japan (devoted to study of the theory and application of radio-telephone), established in 1937 an experimental television station (J2PQ), made a test transmission for the first time last May", the report stated, "succeeding in transmitting photographs to the Tokyo Broadcasting House, 14 kilometers distant from the laboratory.

"Ever since then, intensive study and improvements have been sought, with several test transmission made public to popularize television. And after a considerable experimental period, television has been put on the streets at last.

"Regular television broadcasts are to be put out shortly."

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PORTER, CBS ATTORNEY, LOANED TO DEFENSE COMMISSION

Paul Porter last week was appointed Executive Assistant to Chester C. Davis, member of the National Defense Advisory Commission responsible for accommodating national agricultural problems and policies to the defense program, particularly with respect to maintenance of the parity system of agricultural and industrial prices.

Mr. Porter, Washington attorney for the Columbia Broadcasting System, has been granted a leave of absence to join Mr. Davis' staff. He was Executive Assistant to Mr. Davis when the latter was Administrator of the Agricultural Adjustment Administration.

Mr. Porter's responsibilities will involve close contact with various Government agencies such as - Office of the Secretary of Agriculture, the Surplus Commodities Corp., the Bureau of Agriculture Economics, the Agricultural Adjustment Administration, Reconstruction Finance Corp., and the Red Cross.

Harry C. Butcher, Vice-President of the CBS in Washington, received the following letter from President Roosevelt:

"The White House
Washington June 6, 1940

Dear Harry:

I want to express to you, and through you to your associates of the Columbia Broadcasting System, my personal appreciation of your action in releasing Paul Porter to serve the National Defense Advisory Commission. I recall Mr. Porter's fine service with the Agricultural Adjustment Administration, and I am sure he can do important work in this new field.

Very sincerely yours,

(Signed) Franklin D. Roosevelt"

In a statement for the Columbia Broadcasting System, Mr. Butcher said: "All of us in Columbia regret the temporary loss of the services of Mr. Porter but are proud and happy to cooperate in this way in the furtherance of National Defense preparation."

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MACKAY OPENS DIRECT N.Y.C.-ROME CIRCUIT

A direct radio-telegraph service between New York and Rome was put into operation last week by the Mackay Radio and Telegraph Company, under special authority from the Federal Communications Commission, to handle the large volume of communications between this country and Italy.

Permission to install the circuit was granted to facilitate traffic, which had to be moved on alternate routes since the interruption in the Italian cable to Rome. The Commercial Cable Company, which is affected by the break in the cable, turned over its messages to the Mackay company, with which it is associated, for transmission on the new circuit.

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POPPELE HEADS IMPORTANT FM COMMITTEE

J. R. Poppele, Chief Engineer of WOR, has been appointed Chairman of an important sub-committee of the Radio Manufacturers' Association on Frequency Modulation System to determine the proper polarization of antenna systems for FM receivers and transmitters.

Polarization has to do with the beaming or projection of ultra high frequency radio waves. There are two types of polarization: vertical and horizontal, with opinion divided between engineers as to the most effective. Mr. Poppele's committee will study the relative values of vertical antenna versus the horizontal antenna. FM transmitters now use the horizontal and the vertical systems of polarization.

Others serving on the committee are W. M. Angus, of General Electric Company; D. B. Smith of the Philco Radio and Television Corp.; R. M. Morris of the National Broadcasting Company; and D. E. Harnett of the Hazeltine Service Corp.

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RADIO-TELEPHONE SERVICE TO FRANCE BROKEN OFF

Following the French bid for peace Monday, radio telephone communication between New York and "all parts of France" was suddenly broken off, according to the American Telephone and Telegraph Company, while R.C.A. Communications announced that throughout the day no messages from France had been received in New York City.

The radio telephone service, which had been restricted to United States Government calls, was operated through London, from which the calls were relayed to Paris, and, after its fall, to Bordeaux.

The RCA, Western Union and Commercial Cable organizations reported that operations to France were continuing on the basis established after the fall of Paris.

According to this announcement, contact with the French capital and German-occupied areas in France is still interrupted, and messages for other French points are subject to delay, since priority is given to the heavy volume of official government traffic.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.
GENERAL LIBRARY
30 ROCKEFELLER PLAZA, NEW YORK, N. Y.

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No. 1244

TELEVISION DEVELOPMENT PUSHED BY FCC ACTION

The television industry was revitalized this week as the Federal Communications Commission took steps to promote nation-wide construction of visual broadcasting stations and indicated that a conference will be held shortly on the question of selecting a uniform transmission standard.

While there was no official announcement, it was indicated that James L. Fly, FCC Chairman, will invite television engineers to confer in Washington in the very near future on transmission standards. The FCC has, in effect, promised to authorize complete commercialization once the industry agrees on the standard.

The FCC meanwhile has issued its new rules governing television broadcast station licensing and operations. (See story elsewhere in this letter.)

Opening television broadcast channels to an increased number of stations in leading cities from coast to coast, the Commission tentatively approved 23 applications for television stations in various sections of the country, and announced that it will consider 19 remaining applications and outstanding licenses in the immediate future.

"Most of these stations will be permitted to furnish television programs to the public", the FCC said, "and it is expected that when the industry has developed uniform transmission standards offering a satisfactory level of performance these standards will be adopted by the Commission as a basis for regular commercial television operation. Meanwhile, every television station licensee will undertake to carry on substantial research and experimentation on the different engineering problems and to assist in the development of television for widespread public service.

"With the completion of the projected stations, this country will have far more television broadcast stations than any other nation of the world.

"The complete list of applications which the Commission plans to grant promptly upon a proper showing of a program of research and development follows, with proposed channel assignments:

City		Person or Firm	Channel No.
New York		National Broadcasting Co.	1
		Columbia Broadcasting System	2
		Bamberger Broadcasting Service	6
		Allen B. DuMont Laboratories	4
Chicago		Zenith Radio Corporation	1
		Balaban & Katz	2
		National Broadcasting Co.	5
Los Angeles		Don Lee Broadcasting System	1
		Television Productions	4
		Hughes Tool Co.	2
Washington		Allen B. DuMont Laboratories	1
		National Broadcasting Co.	2
San Francisco		Don Lee Broadcasting System	1
		Hughes Tool Co.	2
Philadelphia		Philco Radio & Television Corp.	3
	*	Radio Corp. of America(Camden)	5
		WCAU	5
Cincinnati		Crosley Corporation	1
Albany		General Electric Co.	3
Fort Wayne, Ind.	*	Philo T. Farnsworth	3
West Lafayette,Ind.	*	Purdue University	3
Passaic, N.J.	*	Allen B. DuMont Laboratories	4
Iowa City	*	Iowa State University	1 & 12

* Indicates stations primarily for laboratory research, or training; no public program service authorized.

Of the 19 cases held in abeyance, 16 are new applications and four are existing licenses under the old rules and regulations. In each instance the applicant may supplement his application and make satisfactory showing that a grant will result in engineering work which will tend to the development of a uniform system of transmission standards of acceptable technical quality.

"All licenses will be on a basis of research and experimentation tending to promote the development of television and to assist the engineers of that industry to reach an agreement upon uniform transmission standards which will permit the early and general commercialization of television", the FCC stated. "Until accord is reached on this vital point, no charges - either direct or indirect - may be made for the transmission of any type of television program.

"In order to put to the fullest possible public use the 18 regular channels (50,000-108,000 and 162,000-294,000 kilocycles) plus any 6,000 kilocycle band above 300,000 kilocycles (excluding 400,000-401,000 kilocycles), made available to television under Commission Order No. 67, the Commission will not, except for extraordinary cause, authorize any one television broadcast station to use more than one channel in the main seven channels constituting Group A (50,000-108,000 kilocycles)."

"At the same time, the Commission stipulates that no person, directly or indirectly, shall operate or control more than three public programming television stations in this important group of channels, or operate or control more than one such station in the same service area. This, however, does not apply to stations which do not transmit programs for public reception."

The three groups of high-frequency channels assigned to television are:

GROUP A		GROUP B		GROUP C
Channel No.	Kilocycle Band	Channel No.	Kilocycle Band	
1	50,000-56,000	8	162,000-168,000	Any 6000
2	60,000-66,000	9	180,000-186,000	kilocycle
3	66,000-72,000	10	186,000-192,000	band
4	78,000-84,000	11	204,000-210,000	above
5	84,000-90,000	12	210,000-216,000	300,000kc
6	96,000-102,000	13	234,000-240,000	excluding
7	102,000-108,000	14	240,000-246,000	band
		15	258,000-264,000	400,000-
		16	264,000-270,000	401,000kc.
		17	282,000-288,000	
		18	288,000-294,000	

The 11 channels in Group B (Channels No. 8 to 18 inclusive) and the auxiliary channels in Group C may be assigned to television stations for supplementary purposes as television relay stations.

No mobile or portable television station for direct public service will be licensed at this time, the FCC said.

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HOUSE REFUSES FUNDS FOR PHONE REGULATION

The House Appropriations Committee this week refused to allow the Federal Communications Commission a requested $142,000 for salaries and expenses to carry out some of the recommendations for regulating the telephone industry. An estimate for this amount was left out of the last Deficiency Bill.

Commissioner Paul A. Walker, John B. Reynolds, Assistant Secretary, and Frank Warren, counsel, appeared before the Committee and sought to justify the request.

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MUNDT RAPS FCC MONOPOLY REPORT

While continuing his advice to broadcasting executives via the Congressional Record, Representative Karl E. Mundt (R.), of South Dakota, this week came to the defense of radio networks under fire in the Monopoly report of the Federal Communications Commission.

"Mr. Speaker, all Members of Congress are aware of the severe charges recently leveled at the American radio industry by certain Government officials charging it with 'monopolistic practices' and other unfair policies", he said. "Personally, I am unwilling to subscribe to these charges on the basis of available evidence. I think that the record of American radio, taken as a whole, is highly commendable. Great public service is rendered the public by radio through its practice of making available to speakers of opposing sides on controversial issues like periods of free time to present their arguments. To my knowledge radio has not yet been guilty of using its monopoly of favorite air waves and its protective licenses and permits to sponsor one set of protagonists against another or to freeze out opposing viewpoints. It is my sincere hope that radio will never permit itself to become guilty of such prejudicial practices because to my mind that would be a big step backward through providing potent arguments for more Government control or supervision and for substituting bureaucratic control - never very satisfactory and seldom very equitable - for self-restraint and fair-play codes which radio can much better provide for itself by a faithful recognition of the responsibilities which always attach themselves to such special privileges as radio presently enjoys."

Representative Mundt inserted in the Record a letter from H. V. Kaltenborn, together with his reply, and apologized for suggesting that the commentator had been dismissed by the Columbia Broadcasting System when he switched to the National Broadcasting Company recently.

Expressing the hope that "radio may redouble its efforts to avoid justifiable criticism", the Congressman set forth five factors for radio executives to consider.

"First. Ninety percent of present-day radio programs are free from substantial criticism by the public. That in itself is a high tribute to American radio. The 10 percent of radio programs which cause concern are the 'opinionated observations' of speakers who are either on the pay roll of the radio companies themselves or who speak 'for hire' for commercial sponsors. Radio cannot afford to ignore the significance as molders of public opinion which these 'opinionated observers' have and the delicate problem growing out of them concerning how far radio or commercial sponsors should go in employing 'speakers for hire' to shape public opinion.

"Second. Radio executives should study the advisability of setting up self-imposed regulations whereby sponsored programs by commercial groups, professional commentators, speakers working for pay and salaried reporters on sustaining programs, should not permit their personal prejudices, their individual opinions, their political philosophies, and their own viewpoints to color the programs in which they participate. . . . . .

"Third. Radio's current policy of permitting conflicting sides of controversial questions to have equal opportunity with free radio time to present its arguments is Americanism in action. It is the essence of democracy and is highly commendable. But if speakers on commercial programs and those speaking on the sustaining programs of the big radio chains themselves attempt to influence public opinion and present lop-sided arguments on public questions they can well destroy and nullify the great democratic value of the prevailing policy of giving free time to all sides of a controversial question, because the professional commentators and speakers are on the air so much more frequently than the laymen.

"Fourth. Radio should recognize a responsibility for not permitting itself to be 'for sale to the highest bidder' on controversial questions, which is not shared by the newspaper business. The difference is clear-cut and obvious. . . . . .

"Fifth. Excesses and abuses in the realm of these 'opinionated programs' by 'speakers for hire' are the danger zone around free radio in America. Government regulation could correct the abuses but I hope it will never have to come to that. In my opinion such coercion is unnecessary. Radio deserves the opportunity to eliminate these abuses for itself where they occur and to guard against their extension. . . . . ."

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OPERATORS ORDERED TO SHOW PROOF OF CITIZENSHIP

Approximately 100,000 radio operators holding United States licenses including amateurs, this week were ordered by the Federal Communications Commission to furnish proof of their citizenship before August 15.

The FCC action was one of the first steps taken to ferret out of the communication system any fifth columnists who may have slipped in under the rather flimsy proof now required as to citizenship. The Commission has full power to check its radio operators' citizenship, although it has not done so in the past, but has no authority over operators in other lines of communication, such as telegraph and telephone. It is probable, however, the FCC may seek other methods of checking these services.

The latest Commission order will require proof of citizenship by means of a birth certificate, naturalization papers or other satisfactory means, and the operators also will be required

to state the nationality and birthplaces of their parents, it was learned. Furthermore, they will be required to file their fingerprints with the Commission for the purpose of preventing the transfer of certificates fraudulently, in the same manner as is required for those serving as seaman aboard vessels of the United States.

While the communications statute requires that all operators be citizens, until now all that has been required is a sworn statement in the application. But it was pointed out that any foreign agent who might need a license for "fifth column" activities on land or aboard ship would have no objection to swearing to a falsehood.

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FCC ADOPTS NEW TELEVISION RULES

Following are the principal new rules governing experimental operations of television broadcast stations ad adopted this week by the Federal Communications Commission:

"Sec. 4.71 - Defined The term "television broadcast station" means a station licensed for the transmission of transient visual images of moving or fixed objects for simultaneous reception and reproduction by the general public. The transmission of synchronized sound (aural broadcast) is considered an essential phase of television broadcast and one license will authorize both visual and aural broadcast as herein set forth.

"Sec. 4.72 - Purpose A license for a television broadcast station will be issued for the purpose of carrying on research, which must include engineering experimentation tending to develop uniform transmission standards of acceptable technical quality, and which may include equipment tests, training of technical personnel, and experimental programs.

"Sec. 4.73 - Licensing requirements, necessary showing. A license for a television broadcast station will be issued only after a satisfactory showing has been made in regard to the following:

"1. That the applicant has a definite program of research and experimentation in the technical phases of television broadcasting, which indicates reasonable promise of substantial contributions to the development of the television art.

"2. That upon the authorization of the proposed station the applicant can and will proceed immediately with its program of research.

"3. That the transmission of signals by radio is essential to the proposed program of research and experimentation.

"4. That the program of research and experimentation will be conducted by qualified personnel.

"5. That the applicant is legally, financially, technically, and otherwise qualified to carry forward the program.

"6. That public interest, convenience or necessity will be served through the operation of the proposed station.

"Sec. 4.74 - Charges No charges either direct or indirect shall be made by the licensee of a television station for the production or transmission of either aural or visual programs transmitted by such station. . . . . .

"Sec. 4.76 Operating requirements

"(a) Each licensee of a television broadcast station shall diligently prosecute its program of research from the time its station is authorized.

"(b) Each licensee of a television station will from time to time make such changes in its operations as may be directed by the Commission for the purpose of promoting experimentation and improvement in the art of television broadcasting."

After setting forth the allocations of channels in Groups A, B, and C, the rules limit their use as follows:

"(b) No television broadcast station will be authorized to use more than one channel in Group A except for good cause shown. Both aural and visual carriers with side bands for modulation are authorized but no emission shall result outside the authorized channel.

"(c) No person (including all persons under common control) shall, directly or indirectly, own, operate or control more than three television stations on channels in Group A, and no such person shall, directly or indirectly, own, operate or control on channels in Group A more than one television station which would serve in whole or substantial part the same service area as another station operated or controlled by such person. This paragraph (c) shall not apply to stations which do not transmit programs for public reception.

"(d) Channels in Groups B and C may be assigned to television stations to serve auxiliary purposes such as television relay stations. No mobile or portable station will be licensed for the purpose of transmitting television programs to the public directly.

"Sec. 4.78 - Power The operating power of a television station shall be adequate for but not in excess of that necessary to carry forward the program of research and in no case in excess of the power specified in its license. . . . . ."

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NEW RMA PRESIDENT CALLS ON FLY AT FCC

The first official duty of James S. Knowlson, newly elected President of the Radio Manufacturers' Association, was to call on Chairman James L. Fly, Chairman of the Federal Communications Commission in Washington. Mr. Fly had been invited to address the RMA convention in Chicago but was prevented from doing so by the war situation at the Capital.

Neither FCC or RMA had any comment to make regarding the visit but the assumption was that in addition to getting acquainted, Mr. Knowlson told Chairman Fly what steps were being taken to cooperate with the FCC in television. It is also possible that Mr. Knowlson may have called Chairman Fly's attention to the fact that David Sarnoff, President of the Radio Corporation of America, had voluntarily withdrawn from active participation in the Association and that from now on would be represented by H. C. Bonfig, Vice-President of the RCA Manufacturing Company located in Camden, New Jersey. Chairman Fly had charged Mr. Sarnoff and the RCA with dominating the RMA, to which charge the radio manufacturers replied that the voting power of all members was equal regardless of the size of the organization represented.

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PAYNE RAPS "PRESSURE" ON FCC IN KFGI REPORT

Commissioner George Henry Payne, one-time stormy petrel of the Federal Communications Commission, intimated that the Commission and its personnel in the past has been subject at times to "pressure" in recommending that the license of Station KGFI, Brownsville, Texas, be revoked.

A visit made by officials of the Eagle Broadcasting Company on Judge Eugene O. Sykes, then Chairman of the FCC, was described by Commissioner Payne in the report without comment. Judge Sykes, he said, told Ewol E. Wilson, President of the company, that it was unnecessary for him to report certain contracts under which KFGI's equipment was taken over by KRIS.

"In reporting on the last one of the so-called Texas cases", Commissioner Payne said, "I may say that the conditions prevailing in these cases do not arise from anything peculiar to Texas, nor from the lawlessness or cunning of any one person. These conditions, I believe, have resulted from the opinion held by a few that the Communications Act can be ignored, if only the right kind of pressure can be exerted upon the Commission or its personnel.

"There are some indications that equally distressing conditions may exist in other parts of the country, too.

"It seems to me that the Commission has taken a long stride in the right direction by these revocation orders and that racketeering in radio can be eliminated entirely by persistence and courage on the part of the Commission and its staff."

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TRADE NOTES

Frederic A. Willis, Assistant to the President of the Columbia Broadcasting System, has resigned to accept a position as Vice-President of the Thompson Automatic Arms Corporation and its subsidiary, the Auto-Ordnance Corp. Mr. Willis is a former U. S. Army officer and a cousin of the British Prime Minister, Winston Churchill.

The Federal Communications Commission this week tentatively affirmed the recommendations of Commissioner Payne to revoke the license of Station KSAM, Sam Houston Broadcasting Association, Huntsville, Texas. The station's operating assignment is 1500 kc, 250 watts, daytime only.

During M.I.T. commencement exercises in Boston in June, frequency modulation added another accomplishment to its record - radio transmission of photos through the air. Received on a General Electric frequency modulation home broadcast receiver at M.I.T., after being thrown 87 miles through space from Boston to Paxton and back again, the photographs were almost duplicate reproductions of the originals. The photos were made by Boston Record-American photographers and transmitted by Editor Walter Howey's Sound Photo System.

A. E. Nelson, General Manager of the San Francisco Division of the National Broadcasting Company, has been elected Assistant Vice-President by the Board of Directors. He will continue as Manager of Stations KGO and KPO.

The Federal Trade Commission has accepted from Detrola Corporation, 1501 Beard Ave., Detroit, radio and camera manufacturer, a stipulation in which it agrees to cease advertising that its "Detrola Candid Camera" or other camera having an actual shutter speed of 1/100th of a second, has a shutter speed of 1/200th of a second; or in any other way representing that the shutter speed of a camera which it sells is in excess of the actual speed attained.

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PALEY CALLS MONOPOLY REPORT BIASED, PREJUDICED

William S. Paley, President of the Columbia Broadcasting System, this week made the first formal reply upon the part of the radio industry to the Federal Communications Commission's monopoly report in a letter addressed to all affiliated CBS stations. He characterized the report as "the produce of bias and prejudice against network operations" and as "totally unwarranted by the evidence". His letter follows:

"The Columbia Broadcasting System has received a number of inquiries from its affiliated stations with reference to a report and press release dated June 12, 1940, of a special committee of the Federal Communications Commission dealing with network broadcasting. Because of your affiliations with our system, I feel that you would be interested in the immediate reaction of the Columbia officials to these documents.

"Perhaps first of all, it should be emphasized that these publications reveal merely the views of a special committee of three members of the Commission. In accordance with standard procedure, the committee report was made public pending its consideration by the full Commission. The views expressed therein are, therefore, in no sense to be taken as the authorized judgments of the Commission itself.

"The report is regarded by the Columbia Broadcasting System management as totally unwarranted by the evidence and as manifestly the product of bias and prejudice against network operations. We feel that the committee has made no serious attempt to evaluate the evidence presented by the networks or to consider the great public advantages which the American people have been able to enjoy solely through network competition, enterprise and ingenuity.

"While the committee declares that it proposes to retain all the advantages of network broadcasting, it must be pointed out that its conclusions, if made the basis of regulations, would necessarily have an opposite effect to the detriment of the networks, the stations and above all, the public. This is particularly true for networks, stations and public with respect to the criticism of exclusive affiliation of a station with a single network.

"In many important matters, which include the ratio of network and affiliate income, the report directly contradicts all the testimony found in the record. In several instances, portions of the report contradict one another. The overall impression given by this report is one of fashioning language in accordance with judgments predetermined before the hearing.

"It is our purpose to file as soon as possible with the full Commission a thorough and comprehensive brief, pointing out the grave inaccuracies of this report, its numerous variances from the record and its thorough unreliability as a predicate for Commission action. We shall be pleased to send you a copy of our brief when it has been filed."

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ASCAP SENDS NEW TERMS TO BROADCASTERS

The American Society of Composers, Authors and Publishers mailed copies of its new radio license this week to owners and operators of broadcasting stations as well as to advertising agencies, stipulating its new demands for the right to use its music on the air, the New York Times reported. The contracts will become effective on January 1, 1941, for five years.

The new plan of the copyright pool classifies the broadcasters into four groups and taxes them with a sustaining fee and a percentage of their gross income. The new agreements set no sustaining figure for the groups and, in this respect, the stations will continue to be assessed individually, as in the past, although those in the higher brackets will be asked to pay more than those in the lower ones.

On the percentage basis, the groups will be taxed 3, 4, 5 and 7½ percent respectively. Group 1 covers stations grossing under $50,000 annually for the sale of time and facilities, while 2 takes in those taking in more than $50,000 and less than $150,000. Stations in the latter classification will have their sustaining fees reduced 25 percent. Group 3 takes in stations with a business in excess of $150,000 and 4 covers the broadcasting chains.

With this arrangement, according to the copyright pool, about 350 stations will get a 50 percent reduction in 1941, compared with 1939 and 1940; about 200 will be assessed 33-1/3 percent less, and "with very few exceptions" no individual station in the country will be asked to pay a larger percentage than in the past.

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No. 1245

June 25, 1940

RULES ISSUED FOR FM OPENS WAY FOR WIDE SERVICE

Frequency modulation was given a new name and authority to go ahead on a complete commercial nationwide service Saturday when the Federal Communications Commission issued rules governing regular FM program service.

The new service was formally designated "high frequency broadcast" to distinguish it from standard broadcast, but it is expected that the original FM name will continue as a label to the new type of broadcasting.

Rapid development of FM stations throughout the nation is expedited by Commission action in apportioning frequencies and otherwise stipulating operation of FM so as to make such broadcast available to as many American homes as possible. Under the rules just approved, FM facilities are, in effect, available to every community in the land.

Important in these rules is the requirement that the program service shall embody presentation particularly adapted to the high fidelity quality of this new method of broadcast. This, with its staticless qualifies, assures the listening public an improved type of service.

Unlike standard (amplitude modulation) broadcast stations, FM stations will be licensed to serve a specified area in square miles. In places where one or more FM stations are located, their radius of service will be made as comparable as possible. Such parity of service is feasible because FM is not subject to objectionable interference as in the case of the older long distance type of broadcasting.

The public is assured of a reasonable amount of FM program service initially by the Commission requiring a daily, except Sunday, minimum operating schedule of at least three hours during the day and three hours at night. FM stations are further obligated to devote at least one hour each day and one hour each night to programs not duplicated simultaneously in the same area, which means programs distinct from standard broadcast. The latter provision is intended to demonstrate the full fidelity of the FM system.

Since facsimile makes its commercial debut under FM auspices, the Commission may now grant authority to a high frequency broadcast station for the multiplex transmission of facsimile and aural broadcast programs, provided the facsimile transmission is incidental to the aural broadcast and does not reduce the quality of the aural program or the frequency swing required for the transmission of FM or bring about interference on adjacent channels.

In carrying out the principles set forth in the Commission's recent report following enthusiastic praise for FM at the frequency modulation hearing, the band of frequencies extending from 43,000 to 50,000 kilocycles is apportioned for service areas in the following manner:

For cities or towns with a total population of less than 25,000 exclusive of adjacent rural areas, these channels are assigned: 48,900; 49,100; 49,300; 49,500; 49,700 and 49,900. This class of station will have a service area not to exceed 500 square miles except where definite need for a greater area is shown and no objectionable interference will result.

To serve populations of 25,000 or more within areas of less than 3000 square miles, these channels are assigned: 44,500; 44,700; 44,900; 45,100; 45,300; 45,500; 45,700; 45,900; 46,100; 46,300; 46,500; 46,700; 46,900; 47,100; 47,300; 47,500; 47,700; 47,900; 48,100; 48,300; 48,500, and 48,700. In this class, the applicant must specify a service area which shall comprise either a metropolitan district, a city, or a particular district having common cultural, economic, geographical or other characteristics to justify service to the area as a unit.

For areas in excess of 3,000 square miles, the channel assignments are: 43,100; 43,300; 43,500; 43,700; 43,900; 44,100, and 44,300. Here the applicant can serve two or more large cities or metropolitan districts and a large adjacent rural area; or, in exceptional cases, one city or metropolitan district and a large adjacent rural area.

One channel only will be assigned to a station. To avoid possibility of objectionable interference, FM stations serving the same area will not be assigned adjacent channels.

To safeguard the public against monopoly, the FCC rules state that no person or group can, directly or indirectly, control more than one FM station in the same area. Likewise, no person or group may control more than one such station, except upon showing that such operation would foster competition or will provide a high-frequency broadcasting service distinct and separate from existing services, and that such operation would not concentrate control in a manner inconsistent with public interest, convenience, or necessity. In this connection, the Commission declares that control of more than six stations by the same person or persons under common control is inconsistent with the public interest.

The Commission will not authorize the installation of a transmitter having a maximum rated power more than twice the operating power of the station. In employing transcriptions, methods of making announcements and other routine, high frequency stations will be governed largely by the same rules which apply to standard broadcast stations.

The rules cover the basic principles believed necessary by the Commission to give FM a proper start commercially. They will be supplemented by Standards of Good Engineering Practice for High Frequency Broadcast Stations, to be made available this week, together with a chart to be used for determining the signal range of this type of station. The new application forms for high frequency stations will likewise be available shortly.

Applications will not be considered until the engineering standards and the new forms are ready. Thereafter, as soon as applications are received, the Commission will act on them promptly.

Practical operation and progress of FM will undoubtedly result in changes to these rules and standards from time to time. Meanwhile, the Commission insures both public and industry an orderly development of high frequency broadcast stations by requiring proof of performance by FM stations within one year from the date of inauguration of this type of service.

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LISTENERS' INTERESTS PUT BEFORE PROFITS BY FCC

Holding that showing of need is related to the protection of listeners and not solely to the protection of private interests, the Federal Communications Commission proposes denial of the application of Station WREN, at Lawrence, Kans., to move its transmitter from a point near Tonganoxie to Kansas, that State, and to establish its main studio in Kansas City, Mo.

"The primary purpose of removal of WREN to Kansas City is to obtain a larger population coverage of Kansas City and its environs in order to increase its advertising revenues and serve as a more effective outlet of the Blue Network", the Commission comments in its proposed findings of fact and conclusions. "If the transmitter is moved as proposed in the application, Station WREN would deliver satisfactory service throughout the Kansas City metropolitan area, but its service to Lawrence and other small communities in Kansas would be less satisfactory, and some rural portions of the present service area would be entirely deprived of service."

The FCC points out that the Kansas City metropolitan area is already served by at least six stations. "The essence of the applicant's proposal, therefore, is to move its transmitter to a large metropolitan area, which already receives service from an ample number of stations, from a semi-rural area where the existing service is relatively inadequate", it adds.

"In view of the loss or diminution of broadcast service to the area theretofore served, it is incumbent upon a station proposing such a change to establish a greater need for additional broadcast service in the new area proposed to be served than may exist in the area previously served. The question of need is an important consideration under such circumstances in order that certain areas may not, by a too liberal assignment of frequencies, have the benefit of an unduly large proportion of the limited broadcast channels available to the prejudice of other districts. It is true that the Commission stated in the F. W. Meyer case that the showing of a public need for additional broadcast facilities is not an essential prerequisite to support the grant of an application for a new station. However, this principle is not applicable in a case such as the present where an existing station proposes to change its location, and the respective interests of different communities and areas are, therefore, involved.

"The showing made by the applicant in support of the proposed change was predicated upon two factors: First that the applicant operates on a regional frequency and should, therefore, be regarded as a station established to serve the metropolitan district of Kansas City primarily; and second, that the increase in coverage which would result from the removal of its station to the Kansas City area would make the station a more effective outlet for the Blue Network programs of the National Broadcasting Company. Insofar as the first factor is concerned, it does not follow from the fact that a station is assigned a regional frequency that it must serve a metropolitan district regardless of other considerations which may be involved. The classification of stations under the Commission's rules and standards of engineering practice is purely for the administrative convenience of the Commission in allocating frequencies and is not a source of any right in licensees or applicants. Indeed, the simple answer to WREN's claim is that the applicant, having once asked the Commission to assign a regional station to the City of Lawrence, now takes the curiously inconsistent position that, by reason of that very assignment, this station should now be assigned to Kansas City. Insofar as the second factor is concerned, this is related more to the private interests of the applicant and the National Broadcasting Company than it is to the interests of the communities involved. The mere fact that the applicant hopes to better itself financially by moving from a small city to a large city is not a controlling consideration in determining whether public interest, convenience, or necessity would be served by permitting such a move."

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The new non-advertising afternoon daily "PM" is devoting three pages daily to news about radio programs and personalities. In its initial issue, moreover, it carried a schedule of radio news broadcasts on the front page under the heading "The Day's News by Radio". Two inside pages are devoted to a complete listing of selected programs of all of the metropolitan New York radio stations. The third page carries news and notes on programs, stations, and persons.

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DEFENSE COMMUNICATIONS COMMITTEE TO BE SET UP

President Roosevelt is expected to issue an Executive Order soon, possibly this week, setting up a Defense Communications Committee, James L. Fly, Chairman of the Federal Communications Commission, disclosed this week at a press conference.

Chairman Fly declined to divulge any details as to plans or personalities who will make up the committee pending White House action. He insisted, however, that it will in no sense seek to take over or control private radio activities.

The Committee will work in cooperation with the National Defense Commission, Mr. Fly said, and will map out plans for coordinating the over-all use of radio facilities in time of national emergency or war. The industry, he intimated, will be represented on sub-committees, while the Committee itself will be composed of responsible representatives of interested Government Departments.

The Committee will derive its authority from the Executive Order, which, in turn, will be based on Section 606 of the Communications Act, which gives the President full power to act in times of national emergency or war.

While the FCC has been cooperating with the Army and Navy and other Government Departments in drawing up the plan for the Committee, Mr. Fly insisted that the group would not attempt any censorship of radio programs.

The Government now has an agency for the allocation of radio frequencies to Government agencies, known as the Interdepartment Radio Advisory Committee, which consists of representatives of 13 governmental agencies. Under the present circumstances, this group is believed too unwieldly, however, and it is the plan to have a board with full authority to act on national defense needs, including coordination of military and civilian facilities.

The new board is expected to lay a framework whereby methods will be provided for military use of all facilities whenever they are required. However, it was indicated that the board may also go into the problem of protecting communication lines and radio facilities as well as laying down a plan for reaching the public in any particular area whenever the exigencies of the situation demand. The coordination plan would merely provide for the most efficient use of facilities, with full power to act. The program is designed to protect the facilities, to guard them against interruption and to provide for alternate facilities upon failure of any particular circuit or circuits.

One of the primary purposes of the plan would be to maintain radio broadcasting, because, as Chairman Fly pointed out, it would seriously affect the morale of the people if this were cut off. In wartime nations often "blackout" areas to prevent the use of radio signals as beams on which plane invaders might ride to military objectives.

It is known here that one of the most important factors in the success of German Army movements is the effective functioning of its communications. It is said the parachute troops largely were used to cut enemy communications behind the lines, but the "cuts" were made in such a way that they were promptly restored as soon as the German troops captured the areas.

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BROWN FACES FIGHT IN CONFIRMATION AFTER HEARING

Serious doubt as to whether Commissioner Thad Brown will be confirmed on his renomination to a seven-year term as member of the Federal Communications Commission was expressed following one of the juciest hearings heard on Capitol Hill this year.

Senator Tobey (R.), of New Hampshire, has indicated he will oppose Commissioner Brown's confirmation both in the Interstate Commerce Committee and on the Senate floor despite the fact that Mr. Brown is a Republican. Hearings were concluded after a second session last Friday.

Senator Tobey demanded that the renomination be rejected after conflicting testimony about a party held in a New York night club by Donald Flamm, owner of WMCA, for members of the FCC. The Senator's bitterest attack was made on Mr. Brown after he continued to deny any recollection of an incident at the party following testimony by Commissioner T.A.M. Craven.

Commander Craven said that Commissioner Brown brought a woman to his table at the Diamond Horseshoe in New York and that Mr. Brown's glasses had been broken when the woman slapped him.

"There is a man nominated for reappointment for seven years to the Commission controlling radio and he has been guilty of conduct unbecoming a gentleman and telling falsehoods about that", Senator Tobey shouted.

Mr. Brown, under questioning, said he "had a drink or two", but heatedly denied he was "under the influence of liquor." Commander Craven said he had taken a drink but could not testify as to drinking by Mr. Brown or others.

"We have testimony that you took a strange woman over to introduce her, she slapped you and broke your glasses, and you have no recollection?" Senator Tobey pressed Commissioner Brown.

"I have no recollection of the incident", Mr. Brown replied slowly.

"I've heard of cases of mental aberration but this is exhibit No. 1", Senator Tobey shouted.

Commander Craven disputed Senator Tobey's charges that the party was a "drunken brawl" or that the Diamond Horseshoe was a "hot spot".

"I'd be proud to take my wife, mother or sister there", the FCC member said.

Earlier Senator Tobey charged that William S. Paley, President of the Columbia Broadcasting Co. engaged in a 1932 "stock rigging" which netted him "a cool million dollars."

In making the accusation, Senator Tober questioned the wisdom of the FCC's licensing of CBS to continue broadcasting.

"We think Columbia is doing a good job and public service", Commissioner Brown replied.

Senator Tobey also asked Commissioner Brown about payment by the National Broadcasting Co. of "625,000 to Frank Knox and the Chicago Daily News for one-half interest in" a radio station. The New Hampshire Senator noted that the station was valued at $44,726 for "physical properties" and the amount paid was "some 1,400 percent of this value". This transaction, Senator Tobey said, was typical of inflated values on "good will values" of radio station transfers approved by the FCC.

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MONITOR STATION IN MASSACHUSETTS AUTHORIZED

The Federal Communication Commission is authorized to purchase a site and erect a building in Massachusetts for use as a radio monitoring station under provisions of a Senate bill passed last week by the House. Provision is made in the bill for expenditure of $30,000. The bill, which goes to the White House, is as follows:

"That the Federal Communications Commission be, and it is hereby, authorized to purchase for the United States a suitable site in the State of Massachusetts, provided a suitable site now owned by the Government is not available for the purpose, and cause to be erected thereon, according to plans and specifications to be approved by it, a suitable building or buildings, for use as a radio-monitoring station or to modify or reconstruct existing buildings or facilities on such site for such purpose,

and to provide the necessary associated antenna systems, roadways, power, water, and sanitary facilities, including the construction and installation of goniometric apparatus and including necessary outfits, apparatus, and equipment at a total cost of said site, buildings, and equipment of not to exceed $30,000."

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FCC WARNS OF INCREASING AIR TRAFFIC CONTROL PROBLEM

Necessity for the development, for both airports and aircraft, of equipment to make use of the ultra-high frequencies for air traffic control is stressed by the Federal Communications Commission in connection with an order issued this week affecting four airports in the Los Angeles area.

"The control of air traffic in the vicinity of all the large cities of the United States is certain to present a serious problem in the future", warns the Commission. "Apparently, frequencies will not be available on the lower band, that is, from 200 to 400 kilocycles for this purpose. This Commission, under its rules, has assigned, for airport control purposes, ultra-high frequencies 130,860 kc., 131,420 kc., 131,840 kc., and 140,100 kc. Applicants for airport control stations are required to apply for one of these high frequencies in addition to 278 kc., the only other frequency available to this Commission for assignment for aircraft control."

The Commission adds:

"Equipment is not now available on a commercial basis to make use of the high frequencies specified for controlling air traffic. It is apparent, however, that use of these frequencies offers the only satisfactory solution of difficulties certain to be encountered in connection with air traffic in the vicinity of every large city in the United States. Especially is this true in view of the almost certain continuation of the present increasing trend of air traffic. The Commission desires to stress at this time the necessity for development, for both airports and aircraft, of equipment designed to make use of these high frequencies. The frequency 272 kc. is released for purposes of aircraft control on a temporary basis for a period ending May 1,1942. It is believed that upon the expiration of this temporary period, high frequency equipment will have been developed and made available upon reasonable terms for use in controlling the movements of aircraft in thevicinity of airports."

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TRADE NOTES

A 10 percent increase in the radio excise tax is included in the national defense revenue legislation passed by the Senate last week. The super tax for national defense purposes will increase the radio excise tax from 5 to 5½ percent beginning July 1 and continue for five years. Some of the other so-called national defense tax increases are not limited in time, but the present legislation provides for definite limitation of five years on the radio tax at the 5½ percent rate.

WOR has just signed a three year lease for the forty-second floor and roof space of 444 Madison Avenue, New York City, and will transfer immediately its Frequency Modulation transmitting activities from Carteret, N.J., to the new location. Construction of an antenna tower will begin at once.

Communication was established with Holland Monday for the first time since May 14, according to a report from R.C.A. Communications, Inc. The announcement said the first connection was completed at 11 A.M., when the Berlin operator flashed back: "Yes, we will now accept traffic for Holland under the same conditions that apply to Germany."

Broadcast Music, Inc., formed by the National Association of Broadcasters, as opposition to the American Society of Composers and Publishers, has started a campaign to enlist assistance of the buyers of radio time and to show them the practicability of dispensing with ASCAP music, according to the business page of the New York Times. It is ready to offer the service of its arranging and composing departments without charge. BMI has communicated with the Association of National Advertisers, pointing out that it is a means of defense for advertisers who wish to protect themselves against "monopoly prices".

With acceptance by the Mutual Board of Directors of the North Central System's application for MBS membership, the Mutual Broadcasting System coast-to-coast network now totals 140 stations. The nine stations that make up the new affiliate are: KABR, Aberdeen, S.D.; KGCU, Bismark-Manden, N.D.; KDLR, Devils Lake, N.D.; KLPM, Minot, N.D.; KVOX, Fargo-Moorehead, N.D.; KATE, Albert Lea, Minn.; KWNO, Winona, Minn.; KGDE, Fergus Falls, Minn.; and KRMC, Jamestown, N.D.

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RADIO ESSENTIAL TO NATIONAL DEFENSE, SAYS SARNOFF

American broadcasting services and national and international communication facilities "constitute the nerve system of our democracy", David Sarnoff, President of the Radio Corporation of America, declared in an address on "Communications in a Changing World" before the Institute of Public Affairs at Charlottesville, Va., last Friday.

"Our broadcasting services, and our national and international communication facilities, constitute the nerve system of our democracy", he said. "They speed the business of the nation. They keep our people informed on national and international affairs. They help to formulate public opinion and to express that opinion on vital matters affecting our democratic processes of government.

"These facilities and services are an efficient and essential arm of our national defense. They are invaluable assets of our nation in today's swiftly changing world. In these dark days we can only resolve that they shall ably serve and sustain our hope and courage, and increase our wisdom and understanding. With unity of purpose, they will help preserve the free institutions of America.

After outlining the progress of radio research since the first World War, Mr. Sarnoff commented:

"There will be those who may ask: What has become of the conception of communications drawing the world closer together, helping to forge the bonds of international understanding, and building a road to world peace? It is the bitter truth, that like many other instrumentalities devised by men of goodwill, communications also can be perverted for destructive purposes by makers of hate and war.

"But it is equally true that the universal means of communication which radio has brought into being remains the hope of mankind for that interchange of information, education, and culture by which alone the peoples of the world can understand the common problems of the world. It remains true that only through communications can there be that meeting of minds which must be obtained if world opinion is to establish and maintain peace.

"War has obscured but not destroyed this truth. Those who are trying to remake the world in the image of barbarism understand it clearly enough. They fear to expose their peoples to the interchange of intelligence, so they forbid them, under pain of imprisonment or death, to listen to anything other than the false propaganda of their own controlled broadcasting.

"Furthermore, when the history of our times is written, I am confident that the vastly broadened communications which science and research have given to the world, will get their due share of credit for quickening public opinion on the true meaning of the issues now to be decided by the free peoples of the world."

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MAJESTIC REORGANIZATION PLAN APPROVAL INDICATED

Federal Judge John P. Barnes indicated Saturday that he would confirm the plan of reorganization of the Majestic Radio and Television Corporation on Wednesday, according to an Associated Press dispatch from Chicago. He was informed at a hearing that the required two-thirds of the stockholders had approved the plan under Section 77b of the amended Bankruptcy Act.

James A. Sprowl, counsel for the company, named the six new Directors approved by the Creditors' Committee and purchasers under the plan. Those named were Parker McMahan, Chicago, Manager of the Service Department of the American Credit Indemnity Co.; Paul Baibourn, New York, Acting Treasurer of Paramount Pictures, Inc.; Allen B. Dumont, New York, President of the Allen B. Dumont Laboratories; Walter Glenn Scott, New York, industrial engineer; Elmer C. Upton, Wheaton, Ill., controller of the Balaban & Katz Corporation, and Curtis Franklin, New York, Director and Treasurer of the Allied International Investing Corporation.

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CBS ASKS PERMITS TO BUILD TWO 50 KW STATIONS

The Columbia Broadcasting System has filed an application with the Federal Communications Commission for permits to construct two new 50,000-watt international short-wave broadcast stations. One of these permits would grant an increase in power and provide for removal of CBS's present short-wave station, WCBX, from Wayne Township, N.J., to the location chosen for the new transmitters - a 1,200-acre tract on Long Island, New York.

CBS's plans call for transmitters custom-built for the particular tasks they are to perform. The equipment would operate with full power on each of the six bands between 6,000 and 22,000 kilocycles now allocated for this type of service.

Both also would be capable of delivering full power to several directional antennas with which they are to be employed. The antennas would have an effective gain of at least ten to one in the direction of maximum signal. Thus signals would have a strength equivalent to 500,000 watts.

Use of directional antennas is designed to concentrate energy for broadcasts to those countries for which programs are intended.

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No. 1246

FCC FIELD FORCE EXPANDED FOR NATIONAL DEFENSE

Preparing to aid national defense by keeping a 24-hour watch on the ether waves, the Federal Communications Commission this week disclosed plans for augmenting its field force by several hundred inspectors and other radio experts.

The additional force is needed to maintain a comprehensive 24-hour surveilance of all communication channels, inclusive of broadcast and other radio transmission, the FCC said. Present radio monitoring facilities will be supplemented with ten primary long-range direction-finder stations. These stations determine the bearings of unauthorized or otherwise suspicious communications. The mobile equipment, which includes direction finding apparatus, traces the origin of such transmissions.

In addition to increased monitoring duties, the field division will be required to watch radiotelegraph and radiotelephone circuits for superfluous signals, record same, and translate foreign language broadcast material. It must also make certain of the citizenship of several hundred thousand persons now charged with the responsibility of communications, as well as of their immediate families. This figure covers about 100,000 licensed radio operators, including amateurs; a like number of cable and wire operators, and other employees such as those of broadcast and other radio stations. It is necessary to know more about the private communications employees who daily handle official dispatches and other Government messages.

Another emergency task will be to guard against the possible misuse of electrical apparatus, including diathermy devices (now employed in many thousand offices of physicians), as transmitters in a manner which might jeopardize the nation's security. Still another undertaking will be to keep tab on possible use of transmitters which have been manufactured but not sold or licensed for authorized communication purposes.

The Commission now operates seven monitoring stations, in various parts of the country, which are largely devoted to making routine measurements of frequencies and determining the quality of emissions, as well as spotting interference. In the course of such work, they observe unlicensed operation incidentally. However, these monitoring stations as now manned and equipped could not cope with the additional work contemplated.

Congress recently authorized a new monitoring station for Massachusetts, but this is to relocate and improve the existing one. The new bases for mobile operation are being established at strategic points throughout the United States and its possessions.

Routine functions of the field division, which now numbers less than 200 persons, embrace inspection of all classes of stations licensed by the Commission, and the issuance of licenses; investigation of complaints of interference and illegal operation; conducting field strength surveys and analyzing signal characteristics; inspecting ship and other marine radio stations, and general regulatory supervision.

During the last fiscal year the Commission investigated more than one thousand complaints of unlicensed operation, and the number of cases pressing for investigation is growing under the present situation. Experience gained in past investigation of unlicensed stations, particularly in the use of the ultra high frequencies, has demonstrated the advantage of an inter-radio communication system for the purpose of synchronizing operations and exchanging intelligence. The prospective new primary monitoring stations and mobile units will be equipped with transmitters and receivers so as to be able to more quickly run down unlawful operation.

Since the Commission is under Civil Service, the additional personnel will come from those rolls.

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PATRICK ASKS REFORMS IN FCC PROCEDURE

Reforms of the Federal Communications Commission in legal procedure were urged this week before the Attorney General's Committee on Administrative Procedure.

The Committee is holding hearings at the United States Court of Appeals Building, receiving information upon which to base recommendations for improvement of Federal agencies.

Duke Patrick, of the Federal Communications Bar Association, said the FCC was reluctant to grant hearings on applications for broadcasting licenses and was arbitrary in its ruling upon petitions to intervene in proceedings.

Mr. Patrick suggested that Trial Examiners for Federal commissions be organized under a separate agency, such as the Department of Justice, and assigned as needed.

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FCC REAFFIRMS STAND THAT COMPETITION IS DESIRABLE

The Federal Communications Commission this week reaffirmed its recently-adopted policy that competition in the broadcasting field is to be encouraged rather than prevented. In one case it denied a request for a rehearing based on the grounds that a station grant would cut into the revenue of an existing radio outlet, while in another it denied a rehearing on a modification of license.

The intent of Congress would be nullified and the U.S. Supreme Court declaration concerning the desirable effects of competition would be meaningless if the Federal Communications Commission were required to deny a radio station entry into the field merely because it would have an adverse effect on an existing station, the Commission declared in denying petition for a rehearing filed by WLEU Broadcasting Company, Erie, Pa., on the Commission's grant of a construction permit to the Presque Isle Broadcasting Co. for a new station at that place. The Commission said:

"It is a direct contradiction of the proposition that free competition is the basic principle of the American system of broadcasting to contend that the Commission is under a duty to consider the effect which competition may have upon the ability of an existing licensee to continue to serve the public. It is implicit in the idea of free competition that public interest cannot possibly be adversely affected by the failure of an existing station to survive due to increased competition, because this result cannot follow unless the new station's competitive efforts enable it to render a superior public service.

"The Supreme Court has made it perfectly clear that 'Congress intended to leave competition in the field of broadcasting where it found it' and to permit 'a licensee to survive or succumb according to his ability to make his programs attractive to the public.' A licensee is not entitled to be protected from competition and the Commission is under no duty to make findings on the effect of such competition on the licensee."

The Commission noted a vital distinction between the situation where an applicant is not financially qualified and the case where the applicant is so qualified, but points out that the petitioner does not allege that this applicant is not financially qualified but bases its complaint on the possible effect of competetive effort. The statute does not require the Commission to consider the latter factor but makes success or failure in the broadcasting business depend solely on a licensee's "ability to make his programs attractive to the public", the FCC held

WLEU, the only broadcast station in Erie at the present time, operates on 1420 kilocycles with 250 watts, unlimited time. It devotes approximately 40 percent of its time to NBC Blue Network programs. The Presque Isle Broadcasting Co., which received

a construction permit March 13, proposes a local program service. There are 75 churches, 25 charitable organizations, 30 educational institutions, and more than 100 civic or social organizations in Erie. The Presque Isle Broadcasting Co. proposes to operate on 1500 kilocycles with 250 watts day and 100 watts night.

In another sense the FCC held that there is no statutory or other requirement that it withhold action on a broadcast application, which it deems in the public interest, in order to consider such application on a comparable basis with some pending application. The Commission denied petition filed by Station WCBD, Chicago, for rehearing of the grant, on May 8, of application by the Evangelical Luthern Synod for modification of license for its station KFUO, Clayton, Mo., to change frequency from 550 kilocycles to 830 kilocycles, with 1 kilowatt power to local sunset at Denver, and a petition for return of KFUO's subsequent application to increase power to 5 KW as a Class II station.

Station WCBD is scheduled for hearing on its application to change its frequency from 1080 kilocycles to 830 kilocycles with 5 kilowatts power daytime. In denying WCBD's first petition, the Commission commented:

"Before petitioner's application can be denied, it must be afforded an opportunity to be heard on any grounds which we have for denying the application, and if the only basis for denying petitioner's application is the superiority of the service rendered or possessed by Evangelical Luthern Synod (KFUO), petitioner will have ample opportunity to show that its operation as proposed will better serve the public interest than will the operation of KFUO as authorized by the instant grant. The grant herein to KFUO does not preclude the Commission at a later date from taking any action which it may find will serve the public interest."

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FRENCH RADIO SHUTDOWN BY ARMISTICE TERMS

One of the terms of the French-German armistice terms as reported by the British Ministry of Information is that "all wireless transmitting stations in French territory are to stop". This is expected to put a temporary end to all broadcasts from France either by short-wave or long wave.

Radiotelephone service with France was cut off last week, but an emergency radiotelegraph circuit between New York and Bordeaux was put into operation by R.C.A. Communications, Inc., under special authority of the Federal Communications Commission.

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FOUR STATIONS WORK OUT INTERFERENCE PROBLEM

Four unrelated radio stations in various parts of the country wanted to increase their respective power of transmission. To do this involved mutual interference. So, through the medium of the Federal Communications Commission, they worked out a directional antenna system that will enable them to cover more territory yet, at the same time, not "collide" with one another's transmissions.

The result of this get-together was climaxed when the Commission today (June 25) authorized construction permits as follows:

WAAT, Bremer Broadcasting Corp., Jersey City, N.J., to move transmitter to Kearney, N.J., increase power from 500 watts to 1 kilowatt, and increase hours of operation from daytime to unlimited time. WAAT operates on 940 kilocycles.

WAVE, Inc., Louisville, Ky., to move transmitter to near Jeffersonville, Ind., and increase power from 1 kilowatt to 5 kilowatts. WAVE operates on 940 kilocycles.

WCSH, Congress Square Hotel, Portland, Me., to increase power from 1 kilowatt night and 2½ kilowatts day, to 5 kilowatts unlimited time. WCSH operates on 940 kilocycles.

WDAY, Inc., Fargo, N. Dakota, to increase night power from 1 kilowatt to 5 kilowatts. WDAY has operated with 5 kilowatts day on the frequency 940 kilocycles.

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G.O.P. WOMEN GET THRILL OUT OF TELEVISION

One of the chief forms of feminine entertainment at the Republican Convention was "appearing on television", according to a staff correspondent of the Washington Post.

"Two companies are busy rounding up women to be interviewed, and are offering free advice on television clothes on the side", the paper said.

"It may sound funny in 1980, but the thought of being seen 200 miles is furnishing a big thrill.

"Off the face hats, black and white or dark blue and white dresses make the best television showing. Gay red hats fade away to gray and checked coats look terrible."

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NAB URGES CAUTION IN HANDLING FOREIGN LANGUAGE BROADCASTS

The Board of Directors of the National Association of Broadcasters is urging all broadcasting stations carrying foreign language programs "to exercise extreme precautions against the use of their facilities, wittingly, or unwittingly, to promote propaganda inimical to the interests of the United States".

The Board, at a meeting in New York, adopted the following resolution:

"RESOLVED, that the Board of Directors of the National Association of Broadcasters recognizes the importance of preserving freedom of speech and radio, and the necessity of serving the interests of that segment of the listening public which is most effectively reached by broadcasts in foreign languages. During the present period of emergency, stations carrying foreign language broadcasts are urged to exercise extreme precautions against the use of their facilities, wittingly or unwittingly, to promote propaganda inimical to the interests of the United States. Scripts should be carefully scrutinized in advance by station managers, and appropriate measures should be taken to guard against deviation from approved scripts."

In connection with the resolution, Neville Miller, NAB President, said:

"The Board, mindful of the traditions of free speech and free radio, and of the value of foreign language broadcasting to reach important groups of citizens, urgently recommends to all stations carrying foreign languages that in advance of their presentation,

"(1) All scripts in foreign languages be carefully read and appraised in the light of American national defense;

"(2) After the station's approval of such scripts, adequate and capable linguists in whom complete confidence may be reposed, shall be utilized to supervise active presentation on the air to prevent possible ad lib insertions or deviations from the scripts;

"(3) A complete file of continuity and script of all foreign language broadcasts should be kept.

"The Board further is of the opinion that the licensees of broadcasting stations operating in the foreign language field are capable of handling this problem intelligently and voluntarily and their service to national defense, both potential and actual, in maintaining intimate contact and understanding with foreign language groups should be maintained."

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LOS ANGELES GETS COASTAL TELEGRAPH LICENSE

The City of Los Angeles has been licensed by the Federal Communications Commission to operate a coastal telegraph station on frequencies 2274 and 4780 kilocycles with 50 watts power, unlimited time, for communication between that city's Department of Water and Power headquarters at Boulder City, Nevada, and its patrol launch on Lake Mead behind Boulder Dam. The applicant proposes to adjust his present special emergency radio Station KIKH, to the new service.

"Lake Mead is approximately 115 miles in length and is navigable for practically that entire distance", according to the applicant. "Vessels patroling away from the home port at Boulder City may easily be disabled by hidden rocks or rough water. Since there are no supplies, and practically no human habitation along the lake shores, transportation on the lake is hazardous to both life and property. Vessels in the upper reaches of the lake are often five to seven hours, at top speed, away from the home port. Therefore, the need for communication is obvious if proper safeguards for the safety of passengers and equipment are to be taken."

The license was granted upon the express condition that interference will not be caused to any Canadian station. The applicant will hold itself open as a common carrier for coastal service on Lake Mead and, if need be, make such service available to other craft there.

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N.Y.A. WORKERS SET UP OWN RADIO SYSTEM

A new system of radio communications similar to that of the amateurs' American Radio Relay League is growing up in the United States.

Aubrey Williams, National Youth Administrator, disclosed this week that N.Y.A. workers were building on their own time a series of short-wave radio stations which could be used as an auxiliary government communications means in an emergency.

He said the stations, linking both coasts and stretching from the Canadian border to Puerto Rico, would be operated by N.Y.A. clubs during spare hours. In times of emergency they could be taken over by the government, he added.

The program contemplates the creation of trunk lines down the Atlantic Coast, connecting Maine and Puerto Rico; another in the Middle West linking North Dakota and Texas, and a third down the Pacific Coast. The trunk lines will be connected by laterals running from the Atlantic to the Pacific.

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FTC CHARGES MISREPRESENTATION IN TUBE DEVICE

Misrepresentation of an electrical and mechanical device for attachment to radio receiving sets is alleged in a Federal Trade Commission complaint issued against The Perfect Manufacturing Company, trading as R. E. Engineers, Madison Road, Cincinnati.

According to the complaint, the respondent represented that its device "Add-A-Tube" will give longer life to radio tubes, will improve radio reception, will make it possible to receive radio broadcasts from domestic and foreign stations which could not be received without use of this device, and will bring the user's radio up to date, when such are not the facts.

It is further alleged that the respondent advertised that use of its device will give any radio the tone, sharpness of selectivity and the static-free reception found in the most expensive radio sets on the market, will improve reception on every type of radio receiving set, will give the user's radio automatic volume control and guarantee clear local and long-distance reception, and will make an old radio receiving set as efficient as modern sets, when actually it will not accomplish all the results claimed.

Through the use of the name "Add-A-Tube", the complaint continues, the respondent implies that its device, when attached to a radio receiving set, gives the set an additional tube, when such is not a fact.

Alleging violation of the Federal Trade Commission Act, the complaint grants the respondent 20 days for filing answer.

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ONLY ONE "HAM" PROTESTS FCC RULING

As a result of its recent orders curtailing amateur radio activities in view of world conditions, the Federal Communications Commission has received but one letter of protest. It came from a California "ham". The Commission replied that it considers its action "not only entirely justified but necessary in the interests of neutrality and national defense". From responses received from amateur organizations and individual amateur operators throughout the country, the Commission "feels that the amateurs are fully appreciative of the reasons for the adoption of this temporary ban on amateur activities, and that the amateurs will full cooperate in its enforcement."

The Commission has received numerous letters from amateurs offering their services in the present situation. These offers run from a Kenmore, New York amateur's desire to "monitor

radio transmissions in my spare time" to a Highland Park, Ill., amateur's proposal to form "a citizens' listening league" to combat Fifth Column activities.

"While the Commission desires not to assign duties in this respect", an FCC spokesman said, "it appreciates the desire to cooperate and advises such interested persons that if they are in a position to furnish information concerning unlicensed operation or other violation of the Communications Act and the Commission's rules and regulations they should communicate with the Inspector in Charge of the nearest FCC field office."

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TEXT OF FCC ORDER REQUIRING CITIZENSHIP PROOF

Following is the text of the order adopted by the Federal Communications Commission last week requiring that all commercial or amateur radio operators produce proof of American citizenship:

"Pursuant to authority contained in the Communications Act of 1934, as amended,

"IT IS ORDERED, That on or before the 15th day of August, 1940, each radio operator who holds an outstanding commercial or amateur radio operator license issued by this Commission, shall file with the Commission his response, under oath, to the attached questionnaire (Form No. 735) and shall furnish the additional data and documents required therein;

"IT IS FURTHER ORDERED, That on and after the date of this Order, each application for a new commercial or amateur radio operator license shall be accompanied by the applicant's response, under oath, to the attached questionnaire (Form Nl. 735) together with the additional data and documents required therein;

"IT IS FURTHER ORDERED, That on and after the date of this Order, each application for a renewal of a commercial or amateur radio operator license shall be accompanied by the applicant's response to the attached questionnaire (Form No. 735), together with the additional data and documents required therein; Provided, however, that such response need not be submitted with a renewal application if a response previously has been made pursuant to the first ordering paragraph herein.

"This Order shall become effective immediately."

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TRADE NOTES

World Radio Market reports issued recently by the U. S. Bureau of Foreign and Domestic Commerce include Nicaragua, Guadeloupe, Palestine and British Honduras.

The Federal Communications Commission has amended Paragraph 4(d) of Administrative Order No. 2, by adding the following language after the phrase, "applications for relay broadcast stations":

> "Applications for consent to assignment of licenses or for consent to transfer of control of licensees of relay broadcast stations, when the Commission has on a prior date consented to a like assignment or transfer of control of the licensee of the standard broadcast station with which the relay stations are affiliated."

RCA Victor this week placed on the market a miniature "Personal Radio", which can be carried around like a book and sells for $20. It weighs only 4¼ pounds.

The Columbia Broadcasting System has released a new brochure, entitled "More for the Money", which reveals that CBS advertisers now reach their audiences at 43% less cost per listener than they did four years back. The determination of net circulation costs, a figure long desired by advertisers who want exact measurements on their advertising investment, was made by CBS after reviewing the gross circulation figures and the CAB program ratings. From these figures network statisticians show that the total audiences for median CBS half-hour evening programs (combining the increase in CAB ratings with the increase in radio families) have risen 154% in four years. CBS time and talent costs have increased very much slower than this. As a result, the net cost per 1,000 listeners, actually delivered the individual advertiser for a typical CBS half-hour evening program, dropped 43% during the same period.

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FCC FIXES THINGS SO THAT QUORUM ISN'T NECESSARY

With sultry Summer days ahead, the Federal Communications Commission has altered its own administrative rules so that the Commission can function without a quorum in most matters.

It adopted this week the following order:

"IT IS ORDERED, That, whenever the Chairman or Acting Chairman of the Commission shall determine a quorum of the Commission is not present, he is authorized to place the following provisions in effect for the period during which such absence or inability to act may continue:

"(1) There is hereby assigned and referred to a Board consisting of all members of the Commission present and able to act, all work, business, or functions of the Federal Communications Commission arising under the Communications Act of 1934, as amended, except that portion of the work, business, or functions of the Federal Communications Commission assigned and referred to the respective Boards and individual Commissioners as provided in Administrative Order No. 2, as amended; Provided, however, that this authority shall not extend to investigations instituted upon the Commission's own motion or, without consent of the parties thereto, to contested proceedings involving the taking of testimony at public hearings, or to investigations specifically required by the Communications Act of 1934, as amended.

"(2) The Board created by sub-paragraph (1) acting by a majority thereof, shall have power and authority to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to it, and in respect thereof shall have all the jurisdiction and powers conferred by law upon the Commission, and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by said Board in respect of any matters so assigned or referred shall have the same force and effect, and may be made, evidenced and enforced in the same manner as if made, or taken by the Commission.

"(3) Any party affected by any order, decision or report of said Board may file a petition for rehearing by the Commission, as provided by Section 1.271 of the Commission's Rules of Practice and Procedure, and every such petition shall be passed upon by the Commission.

"This Order shall become effective on the 1st day of July, 1940."

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HEINL RADIO BUSINESS LETTER.

Jan. - June 1940.

ISSUED TO

Jan-June 1940

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